SIMPLIFIED PROSPECTUS

May 31, 2023

LDIC North American Small Business Fund (Corporate Class)
(Series A shares and Series F1 shares)

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

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PART A - INTRODUCTION

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

This simplified prospectus ("**Simplified Prospectus**") offers securities of mutual funds that are shares of a corporation. In this document, we may refer to "shares" as "securities". In this document, "we", "us", or the "Manager" refers to LDIC Inc.

A mutual fund can be established as a trust or a corporation. The LDIC North American Small Business Fund (Corporate Class) is a class of shares of LDIC Mutual Fund Corporation Inc., a mutual fund corporation referred to in this document as the "Fund Corporation". In this document, we refer to a mutual fund that is established as a class of shares of the Fund Corporation as the "Corporate Fund" or "Fund".

This Simplified Prospectus contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of those responsible for the management of the Fund.

This document is divided into two parts. The first part (Part A), from pages 4 through 33, contains general information applicable to all funds that may be offered. The second part (Part B), from pages 34 through 51, contains specific information about the Fund described in this document.

We have used personal pronouns in this document whenever possible to make it easier to read and understand. Throughout this document "you" means an investor or potential investor, "dealer" refers to the company where your registered representative works and "registered representative" refers to the representative registered in your province who advises you on your investments.

Additional information about the Fund is available in the following documents:

- previously filed annual information forms of the Fund;
- the most recently filed fund facts of the Fund;
- the Fund's most recently filed annual financial statements;
- any interim financial report 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 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, from your dealer or by calling the Manager (collect) at (416) 362-4141 or by emailing the Manager at info@ldic.ca.

These documents are also available on the Manager's website at www.ldic.ca. These documents and other information about the Fund is available at www.sedar.com.

RESPONSIBILITY FOR FUND ADMINISTRATION

The Manager

LDIC Inc. is the manager of the Fund and as such is responsible for managing the overall undertaking and operations of the Fund. The Manager is subject to the supervision of the Fund Corporation's board of directors pursuant to a management agreement (the "**Management Agreement**") dated as of May 22, 2015.

LDIC Inc. was incorporated on October 15, 1998 pursuant to the laws of the Province of Ontario and currently has approximately $534 million in assets under management. Existing clients of LDIC Inc. are generally comprised of high net worth individuals (registered and non-registered), corporations, trusts, estates, pension funds and endowments for charitable foundations. LDIC Inc. employs a flexible investment style with a value-oriented bias (style agnostic) reflecting the realities of the Canadian market and the recognition that differing investment approaches are more suitable for particular market cycles.

The Manager's offices are located at 10 Alcorn Avenue, Suite 205, Toronto, Ontario, M4V 3A9. The phone number of the Manager is (416) 362-4141, the Manager's email address is info@ldic.ca and the website address of the Manager is www.ldic.ca.

The Manager has exclusive authority to manage the operations and affairs of the Fund, to make all decisions regarding the business of the Fund and to bind the Fund. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so. In addition, the Manager will monitor the Fund's investment strategies to ensure compliance with their respective investment objectives, strategies and restrictions as set out in the simplified prospectus of the Fund.

The Manager is entitled to fees for its services as manager and administrator as described under "*Fees and Expenses*" below and will be reimbursed for all costs and expenses incurred by the Manager on behalf of the Fund which are properly payable by the Fund.

The services of the Manager and the officers of the Manager are not exclusive to the Fund. The Manager and its affiliates and associates (as defined in the *Securities Act* (Ontario)) may, at any time, have other business interests and may engage in other activities competitive with, or similar to, or in addition to those relating to the activities to be performed for the Fund, including the administration of any other fund or trust, the rendering of services and advice to other persons and the ownership, development and management of other investments, including investments of the Manager and its affiliates.

The Manager's duties include maintaining accounting records for the Fund; authorizing the payment of operating expenses incurred on behalf of the Fund; allocating operating expenses; calculating the amount and determining the frequency of distributions by the Fund; preparing financial statements, income tax returns and financial and accounting information as required by the Fund; ensuring that securityholders are provided with financial statements, management reports of fund performance and other reports as are required from time to time by applicable laws; ensuring that the Fund complies with regulatory requirements including the continuous disclosure requirements of the Fund under applicable securities laws; preparing the Fund's reports to securityholders and to the CSA; dealing and communicating with securityholders; and negotiating contracts with third-party providers of services, including, but not limited to, custodians, sub-advisors, transfer agents or record-keepers, accountants, auditors and printers. The Manager provides office facilities and personnel to carry out these services, together with clerical services which are not furnished by the custodian, record-keeper or other service providers to the Fund.

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and to exercise the care, diligence and skill of a reasonably prudent in the circumstances. The Manager will not be liable in any way for any default, failure or defect in any of the securities in the portfolio or otherwise be liable to the Fund if it has met this standard of care. The Manager may, however, incur liability in cases of wilful misconduct, bad faith, negligence or other breach by it of its standard of care under the Management Agreement. The Manager and each of its directors, officers, employees and agents will be indemnified out of the assets of the Fund in respect of legal fees, judgements and amounts paid in settlement, actually and reasonably incurred by the Manager, in connection with the services it provides under the Management Agreement, as applicable, if those fees, judgements and amounts paid in settlement were not incurred as a result of a breach by the Manager of the standard of care described above, and if the Fund has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgements and amounts paid in settlement was in the best interests of the Fund.

The Manager may be terminated pursuant to the Management Agreement with respect to any Fund on providing 90 days' written notice to a Fund. Further, a Fund or the Fund Corporation's board of directors may terminate the Management Agreement if (i) the other party shall cease to carry on business, become bankrupt or insolvent, resolve to wind up or liquidate or if a receiver is appointed or (ii) the other party shall commit any material breach and such breach shall not be remedied within 30 days after written notice has been provided by the non-breaching party.

Unless the Manager becomes bankrupt or insolvent or ceases to be resident in Canada for the purposes of the Tax Act, the Manager will continue as manager of the Fund until the termination of the Fund.

Officers and Directors of the Manager

The name, municipality of residence, position with the Manager and principal occupation of each of the directors and executive officers of the Manager are set out below:

Name and Municipality of Residence	**Position with the Manager**	**Principal Occupation**
Michael B. Decter Toronto, Ontario	Chairman, Chief Executive Officer, Chief Investment Officer and Director, Ultimate Designated Person and Chief Compliance Officer	Chief Executive Officer and Chief Investment Officer and Chief Compliance Officer of LDIC Inc.
Rahim Khakiani Toronto, Ontario	Chief Financial Officer	Chief Financial Officer of LDIC Inc.
Ron E. Bailey Winnipeg, Manitoba	Director	Formerly, President of Ron Bailey and Associates Inc.
Graham Scott Toronto, Ontario	Director	President of Graham Scott Strategies Inc.

Name and Municipality of Residence	Position with the Manager	Principal Occupation
Genevieve Roch-Decter Toronto, Ontario	Director	President of Genevieve Enterprise Corp., Chief Executive Officer of Grit Capital Inc., Grit Capital Advisory Inc., Pounce Money Inc., Grit Capital Corporation and Grit Capital IP Corporation

The principal occupation of each of the individuals listed above for the past five years is as follows:

Michael B. Decter | Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer
Michael B. Decter is the CEO of LDIC Inc. since 1998. In addition to his role as CEO, he is also the Chair of the Board of Directors, the Chief Investment Officer, the Chief Compliance Officer and a member of the Investment Committee. He oversees the investment team and all the investment decisions as the Chief Investment Officer.

Rahim Khakiani | Chief Financial Officer
Rahim Khakiani is the CFO of LDIC Inc. since July 20, 2021 and was previously the Controller of LDIC Inc. from May 2019 to June 2021. Prior to joining LDIC Inc., Mr. Khakiani was the Corporate Controller and acted as the CFO of Marquest Asset Management Inc. Prior to joining Marquest Asset Management Inc., Mr. Khakiani was the Senior Consultant of his sole proprietorship which provided accounting and management consulting services. Mr. Khakiani was an Associate with CPP Investment Board, which invest the funds of the Canada Pension Plan. Prior to joining CPP Investment Board, Mr. Khakiani was a Financial Manager with Oasis Group Holdings (Pty) Ltd., a financial services company based in Cape Town, South Africa, provided investment management and administration services on behalf of retail and institutional clients. Mr. Khakiani is a CFA charter holder and a Chartered Professional Accountant.

Ron E. Bailey | Director
Ron has been a director of LDIC Inc. since November 9, 1998.

Graham Scott | Director
Graham has been a director of LDIC Inc. since November 14, 2011 and, since 2008, has been the President of Graham Scott Strategies. Prior, Mr. Scott was a partner at the law firm of McMillan LLP.

Genevieve Roch-Decter | Director
Genevieve has been a director of LDIC since February 16, 2021. Genevieve is the President of Genevieve Enterprise Corp. since September 22, 2014, Chief Executive Officer of Grit Capital Inc. since October 18, 2017, Co-Chief Executive Officer of Grit Capital Advisory Inc. since December 22, 2017, Chief Executive Officer of Pounce Money Inc. since June 8, 2020, Chief Executive Officer of Grit Capital Corporation since January 19, 2021 and Chief Executive Officer of Grit Capital IP Corporation since January 19, 2021.

Portfolio Advisor

The Manager acts as portfolio advisor of the Fund. This involves providing or arranging for the provision of investment analysis and making decisions relating to the investment of assets of the Fund. The Manager also makes decisions on the purchase or sale of portfolio securities and on the execution of all portfolio transactions. These decisions include selection of markets, dealers or brokers and the negotiation, where applicable, of commissions.

The individual principally responsible for the portfolio management of the Fund is Michael B. Decter, whose information is set out in the above tables under "*Responsibility For Fund Administration – The Manager"* and for further information on Management Agreement including, the circumstances under which the portfolio advisor, the Manager, may be terminated, please see "*Responsibility For Fund Administration – The Manager"* above.

Brokerage Arrangements

Brokerage arrangements for the Fund are the responsibility of the Manager. The Manager seeks to obtain best execution of securities transactions when arranging or executing trades on behalf of the Fund. Trades are allocated to brokers based on a number of factors, including execution capability, commission rates, financial responsibility and responsiveness. The Manager is not party to any arrangements where a specified percentage of order flow or commission revenue is directed to any particular broker. The Manager does not direct any brokerage business of the Fund to any person related to or under common control with the Manager.

The Fund does not have any arrangements in place whereby it receives any goods or services from a third party for allocation of brokerage order flow to any dealer. Under applicable regulatory policies, "research goods and services" can include advice provided either directly or through publications or writings, including electronic publications, telephone contacts and meetings with security analysts, economists and corporate and industry spokespersons, and analysis and reports concerning issuers, industries, securities, economic factors and trends, accounting and tax law interpretations and political developments. The Manager may receive such research goods or services from brokers and dealers who execute trades for the Fund, but the Manager neither actively solicits such services nor attempts to value them.

Principal Distributor

The Manager acts as the principal distributor of the Fund. For further information on the Manager, please see "*Responsibility For Fund Administration – The Manager"* above.

Directors and Officers of the Fund

LDIC Mutual Fund Corporation Inc. is organized as a corporation and has a board of directors. The Fund is a class of the Fund Corporation and does not have a trustee. The name, municipality of residence, position with the Fund Corporation and principal occupation of each of the directors and executive officers of the Fund Corporation are set out below:

Name and Municipality of Residence	Position with the Fund Corporation	Principal Occupation
Michael B. Decter Toronto, Ontario	Chief Executive Officer and Director	Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer of LDIC Inc.
Rahim Khakiani Toronto, Ontario	Chief Financial Officer	Chief Financial of LDIC Inc.
Ron E. Bailey Winnipeg, Manitoba	Director	Formerly, President of Ron Bailey and Associates Inc.

Name and Municipality of Residence	Position with the Fund Corporation	Principal Occupation
Graham Scott Toronto, Ontario	Director	President of Graham Scott Strategies Inc.

For more information on each directors' and officer's relationship with the Manager and the services provided by each person, please see "*Responsibility For Fund Administration – The Manager – Officers and Directors of the Manager"* above.

Custodian and Valuation Agent

RBC Investor Services Trust (the "**Custodian**"), at its offices in Toronto, Ontario, has been appointed as the custodian and valuation agent for the Fund. The assets of the Fund are held by the Custodian in Canada or elsewhere as required. The Custodian has the authority to appoint sub-custodians to hold assets of the Fund outside Canada as appropriate. The Custodian is independent of the Manager.

Auditors

The auditor of the Fund is Ernst & Young LLP, Toronto, Ontario.

Registrar

RBC Investor Services Trust provides registrar and record-keeping services at its principal office in Toronto, Ontario. The registrar keeps track of the owners of securities of the Fund, processes purchase and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information. The registrar is independent of the Manager.

Securities Lending Agent

In the event that the Fund engages in securities lending transactions, the Custodian or a sub-custodian, at its offices in Toronto, Ontario, will be appointed as securities lending agent for the Fund. The securities lending agent will act on behalf of the Fund in administering the securities lending transactions entered into by the Fund.

Independent Review Committee

In accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds* ("**NI 81-107**"), the Fund has established an independent review committee (the "**IRC**") consisting of Blair Lekstrom (Chair), Matthew Jennings and Linda Li. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions. The IRC reviews, and may be requested to approve, certain conflict of interest matters referred to it by the Manager. It is also responsible for reviewing and providing input on the Manager's policies and procedures in respect of conflicts of interest involving the Fund. The IRC prepares, at least annually, a report of its activities for securityholders of the Fund discussing its activities in the prior year and makes such reports available on the mutual fund's designated website at www.ldic.ca,or at the securityholder's request and at no cost, by contacting the Manager (collect) at (416) 362-4141 or by emailing the Manager at info@ldic.ca.

Each member of the IRC is entitled to receive an annual fee of $1,500 for so acting, and to be reimbursed for any reasonable out-of-pocket expenses incurred in the performance of his or her duties.

There are no additional or other fees, such as per-meeting fees. No member of the IRC performs any other services, such as consulting services, to the Fund.

Affiliated Entities

Michael Decter Holdings Limited (37.3%), Michael Decter and Associates Ltd (50.2%) and Genevieve Enterprise Corp holds (12.5%)
The Manager(1)
The Fund Corporation

Notes:

(1) The Manager owns 100% of the issued and outstanding common shares of the Fund Corporation. The common shares of the Fund Corporation entitles the holder(s) to vote for the election of the directors of the Fund Corporation.

The Manager to the Fund is LDIC Inc., which owns all of the issued and outstanding common shares of the Fund Corporation. Michael Decter, Ron Bailey and Graham Scott are directors of both the Manager and the Fund Corporation. Michael Decter is the Chairman, Chief Executive Officer, Chief Investment Officer and Chief Compliance Officer of the Manager and Chief Executive Officer the Fund Corporation. Rahim Khakiani is the Chief Financial Officer of the Manager and the Fund Corporation.

The fees paid to the Manager by the Fund will be set out in the Fund's financial statements.

Fund Governance

Policies and Procedures

The Manager has overall responsibility for the governance of the Fund. Senior management including the designated compliance officer has reviewed, commented on and approved the Manager's policies and procedures, which establish rules of conduct designed to ensure fair treatment of the Fund's securityholders and to ensure that at all times the interests of the Fund and its securityholders are placed above personal interests of employees, officers and directors of the Manager. The policies and procedures apply the highest standards of integrity and ethical business conduct. The objective is not only to remove any potential for real conflicts of interest, but also to avoid any perception of conflict. The policies and procedures address areas of investment, which covers personal trading by employees, conflicts of interest, information barriers between departments and portfolio advisors, and also address confidentiality, fiduciary duty and enforcement of rules of conduct.

Policies for the Use of Derivatives

The Fund may enter into derivatives transactions in a manner considered appropriate to achieving the Fund's investment objectives and to the extent permitted by Canadian securities regulatory authorities, as described under the heading "*Use of Derivatives*" in Part B of this Simplified Prospectus

The Manager has appropriate policies and procedures in place for the use of derivatives in the Fund. The Manager's Chief Investment Officer, Ultimate Designated Person and Chief Compliance Officer, Michael Decter, administers such policies and procedures and they are reviewed on a periodic basis. Any use of derivatives by the Fund can only be made in accordance with the limitations and restrictions set out in applicable regulatory policies, and in particular in NI 81-102.

Policies on Securities Lending Transactions

The Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions, as permitted under NI 81-102.

A Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund in a repurchase transaction and not repurchased would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

The Custodian or a sub-custodian of the Fund will act as the agent for the Fund in administering the securities lending, repurchase and reverse repurchase transactions of the Fund. The risk associated with these transactions will be managed by requiring the Fund's agent enter into such transactions for the Fund with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent is required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the agent will determine the market value of both the securities loaned by the Fund under a securities lending transaction or sold by the Fund under a repurchase transaction and the cash or collateral held by the Fund for such transactions. If on any day the market value of the cash or collateral is less than 102% of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or collateral to the Fund to make up the shortfall.

Policies on Short-Selling Transactions

A short sale by the Fund involves borrowing securities from a lender and selling those securities in the open market (or "selling short" the securities). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender on the borrowed securities. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund will make a profit for the difference (less any interest the Fund is required to pay to the lender). Selling short provides the Fund with more opportunities for profits when markets are generally volatile or declining.

The Fund will engage in short selling only within certain controls and limitations and pursuant to applicable securities legislation. Securities legislation imposes the following conditions and limits on the Fund's short-selling activities. Securities will be sold short only for cash. A security sold short shall not be: (i) a security that the mutual fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit. At the time securities of a particular issuer are sold short by a Fund, (i) the Fund has borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction; (ii) the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Fund and (iii) the aggregate market value of all securities sold short by the Fund will not exceed 20% of the net asset value of the Fund. The Fund will also hold cash cover (as defined in NI 81-102) in an amount, including a Fund's assets deposited with borrowing agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by the Fund to purchase long positions other than cash cover.

Voting of Portfolio Securities

The Manager will vote the securities held by the Fund. In voting proxies on behalf of the Fund, the Manager must do so in a manner consistent with the best interests of the Fund and its securityholders.

The Manager is required to vote (or decide to refrain from voting), or cause to be voted, all shares or other voting securities of the Fund, provided that the Manager receives the proxy and related materials from the issuer or otherwise in sufficient time to cast such vote. Where the Custodian of the Fund must vote such securities in accordance with the instructions of the Manager, the Manager shall ensure that instructions are provided to the Custodian in accordance with its corporate action requirements in this regard.

Situations may exist in which, in relation to proxy voting matters, the Manager may be aware of an actual, potential or perceived conflict between its own interests and the interests of securityholders. The Manager will, prior to the vote deadline date, review any such matter, and will take necessary steps to ensure that the proxy is voted in accordance with what the Manager believes to be the best interest of the securityholders. Where the Manager is aware of such a conflict, in order to maintain impartiality, the Manager may choose to seek out and follow the voting recommendation of an independent proxy research and voting service or refer the matter to the Independent Review Committee of the Fund.

The policies and procedures that the Manager follows when voting proxies relating to portfolio securities held by the Fund are available on request, at no cost, by calling the Manager (collect) at (416) 362-4141, by emailing the Manager at info@ldic.ca or by writing to the Manager at 10 Alcorn Avenue, Suite 205, Toronto ON, M4V 3A9.

The Fund shall prepare a proxy voting record for the period ending on June 30 of each calendar year and complete such record by August 31 of the year. Upon request made by a securityholder, the Fund will deliver a copy of its proxy voting record to such securityholder without charge. The proxy voting record is also available on the Manager's website at www.ldic.ca.

Remuneration of Directors, Officers and Trustees

The Fund is not obligated to and does not pay any remuneration to the directors or officers of the Manager.

The Fund compensates the members of the IRC for services provided to the Fund and reimburses the members for reasonable out of pocket expenses. For the year ended December 31, 2022, the fees payable to the members of the IRC in respect of the Fund was $4,500 (being $1,500 per member). There were no additional or other fees, such as per-meeting fees. No member of the IRC performs any other services, such as consulting services, to the Fund.

Material Contracts

The material contracts that entered into by or on behalf of the Fund are as follows:

- Articles of Incorporation dated April 1, 2015;
- The Management Agreement in respect of the Fund dated as of May 22, 2015; and

- The Custodian Agreement entered into between RBC Investor Services Trust and the Manager dated as of May 15, 2015.

Copies of the documents described above may be inspected during regular business hours on any business day at the registered office of the Manager at 10 Alcorn Avenue, Suite 205, Toronto, Ontario, M4V 3A9.

Legal Proceedings

To the best knowledge of the Fund, the Fund does not have any ongoing or contemplated material legal proceedings.

To the best knowledge of the Fund, the Manager nor any partner, director or officer of the Manager or director or officer of the Fund is, as at the date of this Simplified Prospectus, or within 10 years before the date of this Simplified Prospectus, has: (a) been subject to any penalties or sanctions imposed by a court or securities regulator relating to trading in securities, promotion or management of a publicly-traded mutual fund, theft or fraud, or has been subject to any other penalties or sanctions imposed by acourt or regulatory body that would be likely to be considered important to a reasonable investor in determining whether to purchase securities of the mutual fund or (b) entered into a settlement agreement with a court, securities regulatory or otherregulatory body, in relation to any of the matters referred to in paragraph (a).

Designated Website

The Fund is required to post certain regulatory disclosure documents on a designatedwebsite. The designated website of the Fund this document pertains to can be found on the Fund's website at www.ldic.ca.

VALUATION OF PORTFOLIO SECURITIES

The net asset value ("**NAV**") of the Fund must be calculated by or under the authority of the Manager each business day that the Toronto Stock Exchange is open for trading (each such day, a "**Valuation Date**") in accordance with the requirements of National Instrument 81-106 - *Investment Fund Continuous Disclosure* ("**NI 81-106**") (or in accordance with such exemptions from these requirements as may be permitted by Canadian securities regulatory authorities from time to time). Such values are also calculated as of December 31 in each year (if not otherwise a Valuation Date) for the purposes of the distribution of net income and net realized capital gains of the Fund to securityholders.

In calculating value of a share, the following valuation principles are used:

(a) the value of any cash on hand, on deposit or on call loan, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the Manager determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

(b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as the Manager deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;

(c) the value of any security which is listed on any recognized exchange shall be determined by the closing sale price on the Valuation Date or, if there is no closing sale price, the average between the closing bid and the closing asked price on the Valuation Date, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

(d) the value of a forward contract or swap shall be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;

(e) the value of a standardized futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;

(f) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(g) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;

(h) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by a Fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value;

(i) any security purchased, the purchase price of which has not been paid, is included for valuation purposes as a security held, and the purchase price, including brokers' commissions and other expenses, is treated as a liability of the Fund;

(j) any security sold but not delivered, pending receipt of the proceeds, is valued at the net sale price;

(k) the value of any security, the resale of which is restricted or limited (within the meaning of NI 81-102), shall be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;

(l) if any Valuation Date is not a business day, then the securities in the portfolio are valued as if such Valuation Date was the preceding business day;

(m) the value of all assets of the Fund valued in a foreign currency and all liabilities and obligations of the Fund payable by the Fund in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the Manager; and

(n) all expenses or liabilities (including fees payable to the Manager) of the Fund shall be calculated on an accrual basis.

For the purposes of the foregoing rules, quotations may be obtained from any report in common use, or from a reputable broker or other financial institution, provided that the Manager retains sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Fund, including the use of a formula computation. In the event of any inconsistency between the valuation principles set out above and the provisions of securities legislation, the provisions of securities legislation shall prevail.

For more information, including significant accounting policies for financial reporting purposes, see the Fund's financial statements.

CALCULATION OF NET ASSET VALUE

How much the Fund or one of its securities is worth is called its "net asset value" or NAV per security. The NAV per security of each series of the Fund is very important because it is the basis upon which securities of the Fund are purchased and redeemed. The NAV of the Fund varies from day to day.

We calculate a separate NAV for each series of the Fund by valuing, in accordance with the valuation rules set forth above under *"Valuation of Portfolio Securities"*, the assets of the Fund on such Valuation Date and deducting from that amount the proportionate share of common liabilities of the Fund allocated to the relevant class or series and all net income, net realized capital gains and other amounts payable to the securityholders of the Fund on such Valuation Date.

Since each series of the Fund has different costs and liabilities, the series NAV may be different for each series of the Corporate Fund. We calculate the series NAV per share by taking the relevant series' NAV, determined as described above, and then dividing that number by the total number of shares of the series that are outstanding.

We calculate NAV on each Valuation Date. In extraordinary circumstances, we may have to suspend calculation of NAV for one or more Funds.

Common expenses or liabilities of the Fund that are allocated amongst the series of Shares offered by the Fund include:

- all bills and accounts payable;
- all administrative and management expenses payable and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any declared but unpaid distribution or dividend, and all other amounts recorded or credited to securityholders on or before the day as of which the net asset value of the Fund, class or series are being determined;
- expenses of the Independent Review Committee established under National Instrument 81- 107 – *Independent Review Committee for Investment Funds*;

- all allowances authorized or approved for taxes or contingencies; and
- all other liabilities of the Fund or portfolio, of whatever kind or nature, except liabilities represented by outstanding securities of the Fund or portfolio.

The series NAV per share is published each Valuation Date and is available to securityholders on our website at www.ldic.ca or upon request, without charge, by calling the Manager (collect) at (416) 362-4141 or by emailing the Manager at info@ldic.ca.

PURCHASES, SWITCHES AND REDEMPTIONS

Description of Securities

The Fund offers one class of shares which is divisible into series. Each series of securities of the Fund is intended for different kinds of investors. If you cease to satisfy the criteria for holding any series of securities of the Fund, the Manager may switch such series into another series, as applicable, of securities of the Fund. For details of the series of securities offered by the Fund, please see the front cover of this Simplified Prospectus.

Series A shares of the Fund are designed for retail investors. Dealers through whom Series A shares are purchased will receive initial commissions payable by the investor, and on-going service fees (also called “trailer fees” or “trailing commissions”) from the Manager on behalf of the Fund. The Fund does not pay any trailing commissions to the order execution only (OEO) dealers.

Series F1 shares of the Fund are designed for investors who participate in fee-based investment programs offered by their dealers. Series F1 Shares are only available to investors whose dealer has entered into an agreement with the Manager to make Series F1 shares available to clients of that dealer. As a result, no sales commissions or trailer fees are paid by the Manager to dealers selling Series F1 shares of the Fund. Series F1 shares of the Fund were only available to discretionary clients of the Manager up to May 22, 2016 and are not offered under this Simplified Prospectus.

How to Purchase Shares

You can purchase securities of the Fund through registered representatives of dealers, who will forward your order to the Manager. If the Manager receives an order before 4:00 p.m. (Eastern Time) on any day on which the Toronto Stock Exchange is open for trading (a “**Valuation Date**”), it will process the order at the share price calculated at the end of that day. Otherwise, the Manager will process the order at the price calculated on the next Valuation Date. Orders may be processed at an earlier time if the Toronto Stock Exchange closes for trading earlier on a particular day. Orders received after such earlier closing time would be processed on the next Valuation Date.

The offering price of a security is an amount equal to the NAV per security of the applicable series as calculated from time to time. The NAV is determined in accordance with industry practice using the closing price on each Valuation Date.

The Manager is required to accept or reject a purchase order within one business day of receiving it. Any monies sent with an order that is rejected will be returned immediately.

The minimum purchase amount on an initial purchase of shares of the Fund is $1,000. Any subsequent purchase of securities of the Fund must be at least $500. Payment for shares must be made within three business days of the date of subscription. If the payment for shares purchased is not received within three days of an order, the Manager will redeem the securities on the next Valuation Date. If the proceeds from the redemption are greater than the payment you owe, the Fund will keep the difference. If the proceeds are less than the payment the investor owes, the investor or his, her or its dealer must pay the difference, and the Fund or the dealer will collect this amount plus expenses and interest from the investor.

Purchase Options

The Series A shares offered through this Simplified Prospectus are available exclusively through the sales option most commonly known as the "initial sales charge" or "front end load" option. To purchase Series A shares of the Fund, an investor pays a sales commission at the time of purchase. The amount of this commission is subject to negotiation between the investor and his, her or its dealer, but may not be more than 5% of the subscription amount. Dealers through whom the Series A shares are purchased are also entitled to receive on-going services fees (known as "trailer fees" or "trailing commissions") from the Manager on behalf of the Fund.

Investors may also purchase Series F1 shares of a Fund. This generally requires the investor to establish a fee-based account with a dealer (sometimes referred to as a "wrap program"), and for the dealer to have previously entered into an agreement with the Manager permitting its clients to invest in the Fund. The investor does not pay any sales commissions or redemption fees when shares are acquired or redeemed in this account. However, the dealer will generally charge a global fee to the account in which the shares are held.

The series of shares you and your registered representative select affects the amount of compensation your dealer and registered representative receive as a result of your purchase and ongoing investment in the Fund. For a description of the fees, expenses, and dealer compensation applicable to a purchase of shares, see "*Fees and Expenses*" and "*Dealer Compensation*" on page 21 and 25 of this document.

Switches and Conversions

You can switch between different shares of the Fund, subject to the requirements described below, by contacting your registered representative. A switch is effected by using the proceeds from the redemption of shares to purchase other shares. In this Simplified Prospectus, we use the term "switch" and "convert" interchangeably.

<u>*Shares*</u>

Assuming you meet the relevant eligibility criteria for investment in a particular series of shares, you may change between series of shares of the Fund.

If we become aware that you no longer meet the eligibility criteria to hold Series F1 shares, we will convert those shares into Series A shares of the Fund in accordance with instructions from your registered representative. In the absence of instructions, we may automatically convert your Series F1 shares to Series A shares of the Fund after giving you 30 days' notice. If we convert your Series F1 shares into Series A shares, the number of shares you will hold will change since shares of different series have a different NAV per share.

A reclassification from one series of shares to another series of shares of the same fund will generally not be considered a disposition for tax purposes, however, a switch or conversion of shares from one fund into shares of another fund will be considered a disposition for proceeds equal to fair market value for tax purposes, which means that you will realize a capital gain or capital loss in those circumstances. See *"Certain Canadian Federal Income Tax Considerations"* on page 26 for more information.

Fees

We do not charge you any fees at the time of a switch transaction, unless a short-term trading fee applies. Please see "*Fees and Expenses Payable Directly by You*" on page 24 for more information. Your registered representative may, however, negotiate with you and charge a switch fee of up to 2% of the amount being transferred.

Redemptions

An investor is entitled at any time, by making a written application to the Manager through a registered representative, to redeem all or any part of his, her or its shares at the applicable NAV.

Requests for a redemption of shares of the Fund must be received by the Manager prior to 4:00 p.m. (Eastern Time) on a Valuation Date to receive that day's series NAV per share price. If a redemption request is received after this time, or on a day which is not a Valuation Date, then the price applicable to the redemption will be determined on the following Valuation Date. Payment for the shares so redeemed will be made by the Fund within three business days after the day on which the series NAV is determined for the purpose of effecting redemption, provided all required redemption documentation has been submitted.

Your shares can be registered on our records as belonging directly to you, or as held on your behalf by your dealer or other intermediary. If your shares are held directly, signatures on the redemption request must be guaranteed by a bank, trust company, or financial advisor if the redemption proceeds are:

- more than $25,000, or
- paid to someone other than the registered owner of the shares.

If the registered owner of the shares is a corporation, partnership, agent, fiduciary or surviving joint owner, we may require additional information. Investors whose shares are held through a dealer or intermediary (sometimes referred to as a "nominee"), will be subject to the corresponding rules in place at the nominee. Investors who are unsure whether they need to provide a signature guarantee or additional information should check with their financial advisor or the Manager. Your dealer may be entitled to recover any losses from you in connection with a failed settlement of a purchase caused by you or if you fail to satisfy the Fund's requirements or securities legislation for the redemption.

If an investor does not deliver all documentation to the Manager necessary to process a redemption request within 10 business days, the Fund will purchase on the next Valuation Date the number of shares redeemed. If the purchase price of the shares is less than the redemption proceeds, the Fund will keep the difference. If the purchase price of the shares is greater than the redemption proceeds, the investor must pay the difference and the Fund will collect this amount plus expenses and interest from the investor.

See "*Certain Canadian Federal Income Tax Considerations for Investors*" on page 26 for a discussion of the Canadian tax consequences to an investor of a redemption of shares of the Fund.

Suspension of Redemptions

Under exceptional circumstances, we may not be able to process a redemption request. This would most likely occur if market trading were suspended on stock exchanges where the Fund holds a significant portion of its investments.

Canadian securities regulators allow us to suspend your right to redeem:

- if normal trading is suspended in any market where portfolio securities or specified derivatives are traded which represent more than 50 per cent by value, or underlying market exposure, of the total assets of the Fund if those portfolio securities or specified derivatives are not traded on another market or exchange that represents a reasonably practical alternative,

- or in other circumstances with the consent of the Canadian securities regulators.

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your shares at the series NAV per share next determined after the suspension has been lifted. During any period of suspension of redemption rights, we will not accept orders for shares in respect of which redemptions have been suspended.

Short-Term Trading

Where investors make short-term trades in shares of the Fund, buying such shares one day and redeeming them a short time later, there can be adverse effects on other investors. For example, the Fund may incur extra trading costs in first purchasing portfolio securities with the subscription funds, and then in selling portfolio securities to pay proceeds of redemption, depending upon the Fund's cash position. Further, short-term investors may enjoy the benefits of capital appreciation incurred in the Fund without that investor's subscription actually being invested in time to contribute to that appreciation.

For these and other reasons, the Manager has the right to impose a short-term trading fee if shares of the Fund are redeemed within 30 days of the date of purchase. See "*Fees and Expenses — Fees and Expenses Payable Directly by You*" on page 24 for details of this fee. The Manager would generally not charge this fee in circumstances where the reason for an early redemption was an unexpected change in personal or financial circumstances, or other legitimate reason, and was not part of a course of conduct of short-term trading. Where the Manager detects repeated short-term trading occurring by an investor, in addition to charging the short-term trading fee the Manager may decline to accept future purchase orders from that investor.

OPTIONAL SERVICES

Automatic Reinvestment of Distributions

Distributions of the Fund refer to the returns of capital, taxable dividends and capital gains dividends distributed by the Fund. See "*Certain Canadian Federal Income Tax Considerations for Investors*" on page 26 regarding treatment of distributions.

Distributions are automatically reinvested in additional shares of the Fund making the distribution, unless you have previously notified us in writing otherwise. The number of securities received depends on the number of securities you own of the Fund making the distribution and is based on the relevant series NAV per share calculated on the date the distributions are paid. There is no sales charge when additional shares are issued.

If you hold shares of the Fund in a registered plan, distributions will automatically be reinvested in additional shares of the same Fund unless your dealer advises us that your distributions are to be paid in cash to the account you hold with your dealer. Refer to "*Certain Canadian Federal Income Tax Considerations for Investors*" at page 26.

Registered Plans

The Manager offers the following registered plans:

- Registered retirement savings plans (RRSPs)
- Tax-free savings accounts (TFSAs)
- First Home Savings Account (FHSA)
- Locked-in retirement accounts (LIRAs)
- Locked-in registered retirement savings plans (LRSPs)
- Registered education savings plans (RESPs)
- Registered retirement income funds (RRIFs)
- Locked-in retirement income funds (LRIFs)
- Life income funds (LIFs)
- Prescribed retirement income funds (PRIFs)

Not all of these plans may be available in all provinces. Investors should consult their financial advisor for further details and application forms.

Pre-Authorized Chequing Plan

If an investor wishes to contribute regularly to the Fund, he or she may make regular purchases of shares by pre-authorized debit or may establish a pre-authorized chequing plan with the Manager for the purchase of such shares. An investor can start the plan by completing an application, which is available from his, her or its financial advisor. These are the plan highlights:

- The initial investment and each subsequent investment must be at least $50 for each series of shares of a Fund.
- The Manager automatically transfers the money from the investor's bank account to the Fund.
- Investors can choose either the first or the 15th day of the month to invest. Purchases can be made monthly, bi-monthly, quarterly, semi-annually or annually.
- If the date chosen by the investor falls on a day that is not a business day, shares will be purchased the next business day.
- An investor may terminate this plan without cost by giving the Manager at least five business days' notice prior to the date the account is next to be debited.
- The Manager will confirm the first automatic purchase only.
- To increase regular investments under the plan, the investor must contact his, her or its financial advisor.

The Manager is not required to send a copy of this Simplified Prospectus to investors who participate in this plan unless they request it at the time they enrol in the plan or subsequently request it from their financial advisor. The Simplified Prospectus and any amendments thereto may be found at www.sedar.com or www.ldic.ca. Investors will not have a withdrawal right for purchases under the pre-authorized chequing plan, other than the initial purchase or sale, but will have the rights described under "*What Are Your Legal Rights?*" on page 31 for any misrepresentation about a Fund contained in the Simplified Prospectus, or in any of the documents incorporated by reference in the Simplified Prospectus. The foregoing does not apply to investors resident in Québec who will continue to receive the then current Simplified Prospectus and amendments thereto in connection with purchases under the pre-authorized chequing plan.

Systematic Withdrawal Plan

At the time of subscription, an investor may elect to redeem units in the Fund on a regular basis, by providing the Manager with a written direction to this effect. Such written direction may be modified or rescinded through a further written direction from the investor to the Manager. All such redemptions are made based on the net asset value of the relevant series of shares of the Fund at the time of such redemption and are subject to conditions described under "Purchases and Redemptions". These are the plan highlights:

- The value of the shares in the plan must be more than $5,000.
- The minimum value of shares which can be redeemed is $50 for each security of the Fund.
- The Manager will automatically redeem the necessary number of shares to make payments to the investor's bank account, or a cheque can be mailed to the investor.
- The investor can choose either the first or the 15th day of the month to receive payments, which can be made monthly, bi-monthly, quarterly, semi-annually or annually.
- If the date chosen by the investor is not a business day, the securities will be redeemed on the next preceding business day.
- The investor can change or cancel the plan at any time by providing the Manager with five business days' notice.
- The Manager will confirm the first automatic redemption only.

If you sell shares within 30 business days of purchasing them, the Manager has a right to impose a short-term trading fee. If more money is withdrawn than the shares of the Fund are earning, the investor will eventually redeem his, her or its entire investment. If you sell shares held in a RRSP, RRIF, LRIF, LIF, RESP, a registered disability savings plan ("RDSP") or a first home savings account ("FHSA"), there may be other tax consequences in connection with withdrawals from these plans (except for certain withdrawals from FHSAs).

FEES AND EXPENSES

The following table lists the fees and expenses that an investor may have to pay if he, she or it invests in the Fund. Some of these fees and expenses you pay directly. Other fees and expenses are payable by the Fund, which will indirectly reduce the value of your investment in the Fund.

Fees and Expenses Payable by the Fund

Management fees: The Manager is entitled to receive management fees from the Fund as set forth below for providing management, administrative and investment advisory services to the Fund. The Manager manages the day-to-day business and operations of the Fund and provides all general management and administrative services. The management fee rate for each series of securities differs for the Fund.

Management fees are accrued each day that the NAV of the Fund is calculated, and paid monthly. Management fees are subject to applicable taxes, such as HST.

Corporate Fund	Series A	Series F1
LDIC North American Small Business Fund (Corporate Class)	2%	1.5%

Performance Fees In addition to the management fees, the Fund pays the Manager a performance fee. Performance fees, if any, are paid on a per series basis for the Series A and Series F1 shares of the Fund.

Performance fees for the Fund are 15% of the amount by which the series NAV of the Fund at the end of the fiscal year (adding back the amounts of any dividends paid on the securities of the Fund) (the "**ending NAV**") exceeds the target NAV (the "**target NAV**").

The target NAV is calculated by multiplying the series NAV, net of performance fees paid, as at the last performance fee payment date (the "**beginning NAV**") by the sum of one plus the return of a Fund's "benchmark" (the "**benchmark return**") over the same period.

The benchmark for the LDIC North American Small Business Fund (Corporate Class) is a blended benchmark comprised of the following two indices:

- S&P/TSX SmallCap Index (90%)
- Russell 2000 Index (10%)

Performance fees, if any, are calculated and accrued daily such that, to the extent possible, the series NAV per share on each Valuation Date will reflect any performance fees payable as at the end of such period. The performance fee is paid at the end of each fiscal year. Performance fees are subject to applicable taxes, such as HST.

In limited circumstances, the Manager may agree to a reduction in performance fees based on the size of the investment. For additional information, see "Management Fee and Performance Fee Reductions" in this table.

Performance fees will be payable in all circumstances where the performance of the shares exceeds that of the benchmark, even in circumstances where the value of the shares has declined.

Management & Performance fee reductions:

The Manager may reduce or waive all or a portion of the management fees or performance fees that it is entitled to charge. If an investor makes a large investment in the Fund, the Manager may reduce the management fee that would apply to the investment in the Fund. In this case, the Fund will pay the investor the amount of the reduction in the form of a distribution, which will be reinvested in additional shares of the Fund.

Operating expenses:

The Fund pays all expenses relating to its management and operations including, but not limited to, administration and accounting costs, FundSERV costs, valuation and record-keeping services costs, brokerage commissions, applicable taxes, such as HST, audit and legal fees, director fees , fees payable to the IRC, custodial fees, index licensing fees, regulatory filing fees, and the costs of preparing, distributing and submitting annual and semi-annual financial statements, shareholder reports, prospectuses and other disclosure documents required to comply with the regulations relating to the issue and sale of shares. The Manager many, in some cases, absorb a portion of the Fund's operating expenses.

The members of the IRC are entitled to be paid an annual fee of $1,500 per member for so acting. IRC members are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in the course of their duties.

The expenses of the Fund are allocated among the series of shares on a series-by-series basis. Each series bears any expense item that can be specifically attributed to that series. Common expenses such as audit and custody fees are allocated among all series in the manner the Manager determines to be the most appropriate based on the nature of the expense.

While portfolio transaction costs are charged to the Fund, they are not currently included in the management expense ratio calculation of the Fund, but rather reflected in the trading expense ratio of the Fund which is disclosed in the management report of fund performance of the Fund which is available on SEDAR at www.sedar.com or the website of the Manager at www.ldic.ca.

The Manager may, from to time, and in its sole discretion, pay all or a portion of any costs or expenses which would otherwise be payable by a Fund.

Trailing Commission

The Fund shall pay to dealers, either monthly or quarterly at the Manager's option, out of the management fee, a trailing commission equal to 1.25% per annum of the aggregate NAV of the Series A shares held through dealers in respect of your investment in Series A shares of the Fund. The fund does not pay any trailing commissions to the order execution only (OEO) dealers.

Underlying Funds

Where the Fund invests in underlying funds, there are fees and expenses payable by the underlying funds in addition to the fees and expenses directly payable by the Fund. However, no management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, the Fund will not pay any sales charges or redemption fees with respect to the purchase or redemption by it of securities of an underlying fund if the Manager, or an affiliate or associate of the Manager, is also the manager of the underlying fund. Similarly, the Fund will not pay any sales charges or redemption fees that, to a reasonable person, would duplicate a fee payable by an investor in the underlying fund.

Fees and Expenses Payable Directly by You

Series A Shares

Initial sales charges:	Up to 5% (negotiated between you and your dealer)
Redemption fees:	No redemption fees apply, unless the short-term trading fee applies (see below).

Series F1 Shares

Initial sales charges:	None.
Redemption fees:	No redemption fees apply, unless the short-term trading fee applies (see below).

All Shares

Switch fees:	No deferred sales charge is payable at the time of a switch transaction. Your financial advisor may, however, negotiate and charge you a switch fee of up to 2% of the amount being transferred.
Short-term trading fees:	If shares of the Fund are redeemed within 30 days of purchase, the Fund may, at the discretion of the Manager, retain an amount equal to 2% of the NAV for the series of shares redeemed.
Registered plan fees:	None
Pre-authorized chequing plan:	None
Systematic withdrawal plan:	None
Reinvestment of distributions:	None
Other Fees and Expenses	We reserve the right to charge a fee for dishonoured cheques or insufficient funds.

Impact of Sales Charges

The following table shows the sales charges that an investor would pay in respect of the various securities of the Fund if the investor made an investment of $1,000 in the Fund, and then held that investment for one, three, five or 10 years and redeemed the units immediately before the end of each of those periods.

	At the time of purchase	1 year	3 years	5 years	10 years
Initial sales charge option(1) for Series A shares	$50	$Nil	$Nil	$Nil	$Nil
Series F1 shares	N/A	$Nil	$Nil	$Nil	$Nil

(1) Based on the maximum sales charge of 5% of the amount invested. The actual amount is negotiated between you and your dealer and is paid directly to your dealer.

DEALER COMPENSATION

Sales Commissions

If an investor buys Series A shares of the Fund the investor must pay his, her or its dealer a sales commission at the time the investor purchases the shares. The dealer will then pay some or all of that commission to the sales representative that the investor deals with. The sales commission is negotiable between the investor and his, her or its dealer, provided that the maximum amount that an investor will be charged is 5.00%.

If an investor buys Series F1 shares of the Fund, that amount the investor pays to his, her or its dealer in respect of the purchase and holding of the shares, if any, is determined by the terms of the dealer's fee-based or wrap program. The Manager does not pay the dealer any commissions in respect of the sale of Series F1 shares to an investor.

Trailing Commissions

The Manager will pay dealers a monthly or quarterly service fee, also known as a trailing commission, out of the management fees it receives from the Fund in respect of the aggregate Series A share value of their client's investment in the Fund. The amount paid depends upon the series of shares purchased. Some or all of any trailing commissions paid to a dealer may then be paid by the dealer to your sales representative. The Manager may change or cancel the terms of the trailing commissions at any time. See "*Fees and Expenses Payable by the Fund*" beginning on page 21 for more information.

Dealer Compensation from Management Fees

During the financial year ended December 31, 2022, the total cash compensation paid, including sales commissions, trailing commission, and other kinds of dealer compensation such as marketing support payments, to dealers who distributed LDIC North American Small Business Fund represented approximately 3.1% in the aggregate of the total management fees of the Fund.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS FOR INVESTORS

Every investor's tax situation is different, so we recommend that you consult your personal tax consultant for advice about your own situation.

Introduction

The following is a summary of the principal Canadian federal income tax considerations generally applicable as at the date of this Simplified Prospectus to the Fund and, with respect to the acquisition, ownership and disposition of shares of the Fund, to an individual who, for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), is a Canadian resident, is not affiliated and deals at arm's length with the Fund, will hold shares of the Fund as capital property, and has invested for such individual's own benefit and not as a trustee of a trust. Generally, shares will be considered to be capital property to a holder provided that the holder does not hold such shares in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold shares as capital property may, in certain circumstances, be entitled to have such securities and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Investors are urged to consult their own tax advisors regarding the availability and advisability of making such election.

The income tax consequences are different for an investment in shares made through an investor's account that is a registered tax-deferred plan such as a registered retirement savings plan, registered retirement income fund, deferred profit-sharing plan, registered education savings plan, registered disability savings plan, tax-free savings account or a first home savings account (each, a "**Registered Plan**") than they are for an investment in shares made by an investor through a non-registered account.

This summary is based on the facts set out in this Simplified Prospectus, the current provisions of the Tax Act, the regulations thereunder and the current published administrative practices and assessing policies of the Canada Revenue Agency ("**CRA**"). It takes into account all specific proposals (the "**Tax Proposals**") to amend the Tax Act and the regulations thereunder publicly announced by the Minister of Finance before the date hereof. This summary assumes Tax Proposals will be enacted as currently proposed although no assurance can be given in that regard. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or the administrative practices and assessing policies of the CRA whether by legislative, regulatory, administrative or judicial action. Furthermore, this summary does not take into account other federal, provincial or foreign income tax legislation or considerations.

This summary is not applicable to a holder (i) that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules) or a "specified financial institution", (ii) an interest in which is a "tax shelter investment" as defined in the Tax Act, (iii) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules in the Tax Act, (iv) that at any time has an "at-risk adjustment", as defined in the Tax Act; (v) that is a partnership or trust; or (vi) that has entered or will enter into a "derivative forward agreement" or a "synthetic disposition arrangement", with respect to the holder's shares (in each case as defined in the Tax Act). Such holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of shares. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire shares of the Fund.

This summary is also based on the following assumptions:

(i) It is assumed that an investor does not undertake or arrange any transaction relating to the investor's shares, other than those referred to in this Simplified Prospectus, and that none of the transactions relating to the investor's shares and referred to in this Simplified Prospectus is undertaken or arranged primarily to obtain a tax consequence other than those specifically described herein.

(ii) The Fund Corporation has elected pursuant to subsection 39(4) of the Tax Act to have all Canadian securities owned by it deemed to be capital property.

(iii) It is assumed that the Fund Corporation will continue to qualify as a "mutual fund corporation" for the purposes of the Tax Act. The Manager has advised that it expects the Fund to so qualify at all material times. If a Fund were not to so qualify, the income tax consequences described below would in some respects be materially different.

(iv) It is assumed that a Fund was not established and will not be maintained primarily for the benefit of non-residents of Canada.

This description of income tax considerations is of a general nature only, is not exhaustive of all possible income tax considerations and is not intended to constitute advice to any particular investor. Prospective investors should seek independent advice from their own tax advisors regarding the tax consequences of investing in shares of a Fund, based upon their own particular circumstances. The income and other tax consequences of acquiring, holding or disposing of shares of a Fund vary according to the status of the investor, the province or provinces in which the investor resides or carries on business and, generally, the investor's own particular circumstances.

In this segment of this summary of federal income tax considerations, dealing with income tax at the fund level, the term "Fund" will refer to the Fund Corporation (rather than the Corporate Fund, which are represented by a series of shares of the Fund Corporation), because the Fund Corporation is the taxable entity.

The Fund Corporation

As a mutual fund corporation, the Fund Corporation can have three types of income: Canadian dividends, taxable capital gains and other net income. Unless the Fund Corporation meets the definition of an investment corporation for the purposes of the Tax Act, Canadian dividends received by the Fund Corporation are generally subject to a 38 1/3% tax, which is currently fully refundable at the rate of $0.38333 for every $1.00 of dividends paid by the Fund Corporation to its shareholders. Taxable capital gains are subject to tax at normal corporate rates and such tax paid is refundable to the Fund Corporation by paying capital gains dividends to shareholders or through the capital gains redemption formula. Other income is subject to tax at normal corporate rates and is not refundable. Mutual fund corporations do not qualify for reduced corporate tax rates that are available to other corporations for certain types of income.

The Fund Corporation must include in its taxable income the revenues, deductible expenses, and capital gains and losses of all of its investment portfolios. The Fund Corporation will allocate the taxes payable and recoverable of the Fund Corporation to the Corporate Fund. The Fund Corporation may pay dividends or capital gains dividends to shareholders of the Fund in order to receive a refund of taxes on Canadian dividends and capital gains taxes under the refund mechanisms described above.

Distributions paid by the Fund Corporation may also include a return of capital. Several factors determine the amount of the distributions by the Fund Corporation including realized and unrealized gains, distributions or dividends from investments and net conversions (if any). The history of distributions paid is no indication of future distribution payments and the composition of distributions as between dividends, capital gains dividends and return of capital may vary.

The Fund Corporation will designate, to the extent permitted, its taxable dividends as eligible dividends. An "eligible dividend" as defined in the Tax Act will be entitled to an enhanced gross-up and dividend tax credit. To the extent available under the Tax Act and CRA's administrative practice, the Fund Corporation will pass on to holders in respect of eligible dividends the benefit of the enhanced gross-up and dividend tax credit. There may be limitations on the Fund Corporation's ability to designate dividends as eligible dividends.

To the extent that the Fund Corporation earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest and dividends from corporations other than taxable Canadian corporations, the Fund Corporation will be subject to income tax on such income and no refund will be available in respect thereof.

In computing the adjusted cost base of any particular security, the Fund Corporation will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Fund Corporation (regardless of the Corporate Fund to which it relates) and held as capital property at the time of acquisition.

The Fund Corporation will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing the shares. Such issue expenses will be deductible by the Fund Corporation rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. The Fund Corporation will generally be entitled to deduct reasonable administrative expenses and interest payable by it on money borrowed to purchase securities. Any non-capital losses incurred by the Fund Corporation may generally be carried forward or back in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Fund Corporation.

The Fund Corporation may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities. The cost and proceeds of disposition of securities, interest and all other amounts will be determined for purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act. The amount of income, gains and losses realized by the Fund Corporation may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested will likely constitute capital gains and capital losses to the Fund Corporation if the securities in the Fund Corporation are capital property to the Fund Corporation provided there is significant linkage while gains and losses in respect of positions that are not hedging securities will generally be on income account.

The Fund Corporation may derive income or gains from investment in countries other than Canada, and as a result, may be liable to pay income or profits taxes in such countries. Generally, in computing the amount of its Canadian income taxes, the Fund Corporation will be entitled to claim credits in respect of such taxes paid, including foreign taxes, withheld at source, to the extent permitted by the detailed rules in the Tax Act. To the extent that a tax credit is not claimed, the Fund Corporation will generally be able to deduct any such foreign taxes paid.

Shares held in a Registered Plan

Subject to the qualifications set out below under the heading "*Eligibility for Registered Plans*" shares of the Fund are qualified investments for Registered Plans. Provided a Registered Plan does not hold non-qualified investments or prohibited investments, the Registered Plan will receive income and capital gains distributions or dividends, and gains (or losses) that occur on the Registered Plan's disposition of an investment, without income tax consequences. However, withdrawals from a Registered Plan may be subject to tax. You should consult your tax advisor about the special rules that apply to each particular Registered Plan.

Shares held in a Non-Registered Account

If you hold shares in a non-registered account, you will generally be taxable on all distributions or dividends made by the Fund (including those that are reinvested in additional Fund shares), and on any gains (net of losses) that occur on the disposition of shares of the Fund. The dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply to such dividends, including the enhanced dividend gross-up and tax credit for "eligible dividends" received from the Fund Corporation. A return of capital will not be taxable to you but will reduce the adjusted cost base of the relevant shares. Where net reductions to the adjusted cost base of shares would result in the adjusted cost base becoming negative, that amount will be treated as a capital gain realized by the holder of shares and the adjusted cost base of shares would then be nil.

A Corporate Fund may also make distributions to holders of shares of realized capital gains by way of capital gains dividends. Capital gains may be realized by the Corporate Fund in a variety of circumstances. Capital gains dividends paid by a Corporate Fund will be treated as realized capital gains in the hands of holders of shares and will be subject to the general rules relating to the taxation of capital gains which are described below.

The Fund receives, retains and reinvests its income and gains, pending periodic distributions or dividends. The value of any retained income and gains is reflected in the Fund's share price, so if your non-registered account purchases a share shortly before the Fund pays a distribution, the portion of the purchase price that is attributable to the retained income or gain will in effect become taxable when such retained income and gains is distributed or declared as a dividend. For this reason, you should be aware of the timing of the Fund's distributions or declared dividends when you make a non-registered purchase. Depending upon the nature of the Fund's investments, it will pay distributions or dividends monthly, quarterly or annually. The frequency and timing of distributions or dividends for the Fund is disclosed in the Fund specific information set out later in this Simplified Prospectus.

Redemptions and Switches of the Fund

The disposition or deemed disposition of shares of a Corporate Fund by a holder will give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of such shares exceeds (or is less than) the aggregate of the adjusted cost base of such shares and any reasonable costs of disposition. One-half of a capital gain ("**taxable capital gain**") is required to be included in a holder's income and one-half of a capital loss ("**allowable capital loss**") must be deducted against taxable capital gains realized in the year of disposition. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extend and under the circumstances described in the Tax Act.

The conversion of shares from one Fund to another Fund are considered dispositions for tax purposes at fair market value, with the result that a capital gain or capital loss will arise for tax purposes. You can, however, switch your securities of one series of one class of the Fund into securities of another series of the same class of the same Corporate Fund, provided you are qualified to hold the series into which you are switching. The switch should occur on a tax-deferred basis so that you do not realize a capital gain or capital loss on your switched securities.

Generally, at any time, your adjusted cost base of each share of the Fund will be the average calculated by totaling the actual amounts (including any brokerage fees and other costs incidental to the acquisition) that you paid to acquire all of the shares of the Fund you hold at the time and dividing by the number of shares held. If you hold shares acquired by reinvestment of distributions, the cost of the shares will be included in the calculation. In the event that the Fund has returned capital as part of a distribution, the amount of capital received would be deducted in the averaging calculation.

If the Fund has a high portfolio turnover rate, then there is the possibility of higher trading costs and a potential for increased capital gains in a year. However, there is not necessarily a relationship between a high turnover rate and the performance of the Fund.

In general, fees paid directly by you in respect of shares of the Fund held outside a Registered Plan should be deductible for income tax purposes to the extent that such fees are reasonable and represent fees for advice to you regarding the purchase or sale of shares of the Fund or for services provided to you in respect of the administration or management of your shares of the Fund. The portion of the fees that represent services provided by the Manager to the Fund, rather than directly to you, are not deductible for income tax purposes. You should consult your own tax advisor with respect to the deductibility of fees in your own particular circumstances.

Alternative Minimum Tax

Individuals (including certain trusts) may be subject to an alternative minimum tax in respect of realized capital gains and/or dividends, to the extent and in accordance with the detailed rules of the Tax Act. Such persons to whom these rules may apply are urged to consult their own tax advisors in this regard.

Tax Information

The Manager will provide holders of shares with transaction statements and the annual tax information slips reporting income and net realized capital gains distributions needed to complete their income tax returns.

International Information Reporting

The dealers through which holders hold their shares may be subject to registration, information collection and reporting obligations contained in Part XVIII of the Tax Act, which implemented the Canada-United States Enhanced Tax Information Exchange Agreement (the "**IGA**") with respect to "financial accounts" such dealers maintain for their clients. Holders, or the controlling person of a holder, will generally be requested to provide their dealer with information related to their citizenship, residency and, if applicable, a U.S. federal tax identification number. If a holder is a U.S. person (including a U.S. citizen or green card holder who is resident in Canada) or if a holder does not provide the requested information, Part XVIII of the Tax Act and the IGA will generally require information about the holder's investment in the Fund to be reported to the CRA, unless the investment is held within a registered plan (as defined in the Tax Act). The CRA will provide that information to the U.S. Internal Revenue Service.

In addition, reporting obligations in the Tax Act have been enacted to implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Rules**"). Pursuant to the CRS Rules, Canadian financial institutions are required to have procedures in place to identify accounts held by residents of foreign countries (other than the United States), or by certain entities any of whose "controlling persons" are resident in a foreign country (other than the United States). The CRS Rules provide that certain "Canadian financial institutions" must report the required information to the CRA annually. Such information would be available to be exchanged on a reciprocal, bilateral basis with the jurisdictions in which the holders, or such controlling persons, are resident. Holders will be required to provide such information regarding their investment in the Fund to the holder's dealer for the purpose of such an information exchange, unless the investment is held within a registered plan (as defined in the Tax Act).

ELIGIBILITY FOR REGISTERED PLANS

The Fund Corporation qualifies and is expected to continue to qualify as a "mutual fund corporation" (as defined in the Tax Act) at all material times. Provided that it so qualifies, the shares of the Fund Corporation shall be a qualified investment under the Tax Act for trusts governed by a Registered Plan

Provided that the holder of a TFSA, FHSA or RDSP, the annuitant under an RRSP or RRIF, a subscriber of an RESP or as the case may be, does not hold a "significant interest" (within the meaning of the Tax Act) in the Fund Corporation and deals at arm's length with the Fund Corporation for purposes of the Tax Act, the shares will not be a prohibited investment under the Tax Act for a trust governed by such TFSA, FHSA, RRSP, RRIF, RDSP or RESP. In addition, the shares will not be a "prohibited investment" if such shares are "excluded property" (as defined in the Tax Act) for trusts governed by a TFSA, FHSA, RESP, RRIF, RDSP or RESP.

Holders should consult their own tax advisors with respect to the investment of shares in a Registered Plan.

WHAT ARE YOUR LEGAL RIGHTS?

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

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

For more information, refer to the securities legislation of your province or consult a lawyer.

EXEMPTIONS AND APPROVALS

On April 1, 2022, the Manager provided notice to the Ontario Securities Commission that effective June 1, 2022 to November 23, 2023, pursuant to subsection 143.11(2) of the Securities Act (*Ontario*) it applied for temporary relief from Nation Instrument 81-105 – *Mutual Fund Practices* prohibition from knowingly paying trailers to participating dealers that are not required to make a suitability determination such as investment dealers offering order execution only (OEO) accounts and prohibiting order execution only (OEO) dealers from soliciting or accepting the payment of trailers from investment fund managers.

CERTIFICATE OF THE FUND

Dated May 31, 2023

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 each of the provinces and territories of Canada and do not contain anymisrepresentations.

"Michael B. Decter" (Signed)

Michael B. Decter
Chief Executive Officer of LDIC Mutual Fund Corporation Inc.

"Rahim Khakiani" (Signed)

Rahim Khakiani
Chief Financial Officer of LDIC Mutual Fund Corporation Inc.

On behalf of the board of directors of
LDIC Mutual Fund Corporation Inc.

"Graham Scott" (Signed)

Graham Scott
Director of LDIC Mutual Fund Corporation Inc.

"Ron Bailey" (Signed)

Ron Bailey
Director of LDIC Mutual Fund Corporation Inc.

CERTIFICATE OF THE MANAGER AND PROMOTER OF THE FUND

Dated May 31, 2023

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 each of the provinces and territories of Canada and do not contain anymisrepresentations.

"Michael B. Decter" (Signed)

Michael B. Decter
Chief Executive Officer of LDIC Inc.

"Rahim Khakiani" (Signed)

Rahim Khakiani
Chief Financial Officer of LDIC Inc.

On behalf of the board of directors of the Manager and Promoter of the Fund

"Graham Scott" (Signed)

Graham Scott
Director of LDIC Inc.

"Ron Bailey" (Signed)

Ron Bailey
Director of LDIC Inc.

PART B - SPECIFIC INFORMATION ABOUT THE MUTUAL FUND DESCRIBED IN THIS DOCUMENT

This document provides specific information about the Fund. It should be read in conjunction with the rest of the simplified prospectus dated May 31, 2023. Rather than repeat certain information that applies to the Fund, this common information is set out below. Part A and Part B together constitute the simplified prospectus.

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

A mutual fund is a type of investment vehicle which allows you to pool money with other investors having similar investment objectives and to have that money invested by a professional portfolio advisor. The pooling of money with others may allow for greater diversification than would often otherwise be available to the investor individually. Diversification generally reduces investment risk, as losses in one security may be offset by gains in another security held in the investment portfolio of a fund.

There are generally two legal forms for a mutual fund: a mutual fund trust or a mutual fund corporation. Both forms of mutual funds allow you to pool your savings with other investors seeking the same investment objective. When you invest in a mutual fund corporation, you are buying an interest in ownership in the fund which is called a "share" of the corporation. You then become a shareholder of the fund. When you invest in a mutual fund trust you are buying an interest in ownership in the fund which is called a "unit" of the trust. As a unitholder or shareholder of a fund, an investor shares in the fund's income and expenses, and the gains and losses the fund earns on its investments, in proportion to the number of units or shares that the investor owns. Generally, an investor's portion of the fund's taxable income including net realized capital gains is paid to the investor each year, and when the investor no longer wishes to hold units or shares in the fund, the fund will redeem the securities from the investor.

A mutual fund corporation may have many different classes of shares with different investment objectives or it may have just one investment objective, depending on whether it offers more than one class of shares. Each fund is a class of shares of a corporation with a particular investment objective. The value of a class is calculated based on the investments held pursuant to that investment objective. In this way, a class of a mutual fund corporation is similar to a mutual fund trust with a single investment objective.

Each fund may have one or more series of shares. This structure recognizes that different investors may require different investment advice and service. Each series of shares issued by a corporation derives its value from the same investment portfolio, and shares the same investment objective and strategies as the applicable fund, but may charge different fees and incur different expenses. As an investor, you need to determine which class or series, as applicable, is the best match for you. There is more information on how classes and series differ from one another in the section "*Purchases, Switches and Redemptions*" on page 16.

The following is a description of certain features of an investment in a mutual fund corporation compared to an investment in a mutual fund trust:

- If you wish to change your investment in a Fund to another Corporate Fund, you can switch your shares of the class you currently hold into shares of another class with the type of investment objective you are seeking. However, an exchange from one Fund to another Fund will be considered for tax purposes to be a disposition at fair market value with the result that a capital gain or a capital loss will arise. Generally, this should not apply to reclassifications between different series of shares of the Corporate Fund.

- For tax purposes, a mutual fund corporation is a single entity and taxpayer regardless of how many classes or series of shares it offers. A mutual fund corporation must consolidate its income, capital gains, expenses and capital losses from all the investments made for all classes and series in order to determine the amount of tax payable by the corporation as a whole and whether the corporation will pay capital gains dividends to its shareholders. For example, this means that capital gains and income of one Fund may be offset by capital losses and expenses of another Corporate Fund. With mutual fund trusts, the capital losses or expenses of one trust fund cannot be offset against the capital gains or income of another trust fund.
- A mutual fund corporation pays dividends to shareholders, while a mutual fund trust pays distributions to unitholders. A mutual fund corporation may pay capital gains dividends. A mutual fund corporation will have to pay tax on all sources of income other than capital gains in the event that it pays capital gains dividends. A mutual fund trust will not pay taxes on any source of income or capital gains as long as it distributes its net taxable income to unitholders. See "*Certain Federal Income Tax Considerations For Investors*" on page 26 for more information.

Mutual funds hold a portfolio of investments that may include equity securities, debt or interest-bearing securities, derivatives or securities of other mutual funds, depending on the investment objectives of the mutual fund and the manager's investment strategy.

Equity and debt securities

Mutual funds can invest in equity securities, which may earn dividends, or in debt securities, which earn interest. An equity security is a stock or a share in a company or a unit of a royalty or income trust and may include preferred shares or securities convertible into common shares or units. Debt securities include bonds and money market instruments such as treasury bills and certificates of deposit. Debt securities may be issued by governments or companies.

Derivatives

A mutual fund can also invest in derivatives. A derivative is essentially a contract, the value of which is dependent upon the value of another investment.

Derivatives are investments whose value is based on the value of another investment, which is often referred to as the "underlying" investment. Derivative instruments can be used by mutual funds to help them to achieve their investment objectives. Derivative instruments are commonly used to offset or "hedge" the risks of other securities or positions held in a portfolio. Additionally, such instruments can be used as an alternative way to gain economic exposure to a security or group of securities without purchasing such securities directly.

Examples of derivatives that the Fund might use include forward agreements, options and swaps. Most often, a derivative instrument is a contract between a fund and another party (the "counterparty") in which the value of the contract depends on the value of underlying securities, or of currencies, interest rates or market indices. A forward contract or forward agreement is an agreement to buy or sell, at a future date, a specified quantity of an asset at an agreed price. So for example, a forward currency contract can be an agreement to buy a certain amount of U.S. dollars in 90 days' time at the price agreed today. An option contract is the right, but not the obligation, to buy or sell an underlying asset at an agreed price (the "strike" price) until the expiry date of the option contract. A call option is the right to purchase and a put option is the right to sell. A swap is generally a private contract between two parties used to exchange periodic payments in the future based on a formula to which the parties have agreed. Swaps are generally equivalent to a series of forward contracts packaged together.

Underlying funds

Mutual funds can also invest in the securities of other funds, which are then referred to as *underlying funds*. How much a fund invests in underlying funds, and the types of underlying funds they invest in, may vary. Investing in underlying funds may enable a fund to pool assets in a manner that is often more efficient for investors, and generally results in lower expenses.

What are the Risks of Investing in a Mutual Fund?

Risk is the chance that your investment may not perform as expected over a certain period of time. Investment risk represents the chance of investment loss. There are different degrees and types of risks but, in general, the more risk you are willing to accept as an investor, the higher the potential returns and the greater the potential losses. The key to reducing the overall volatility of your portfolio is to hold a wide variety of investments.

Mutual funds hold different types of investments, depending upon their investment objectives. Like all investments, mutual funds involve risk. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. The price of a mutual fund security will generally vary with the value of the securities it holds. When you redeem mutual fund securities, their value may be less than your original investment. Changes in rates and market conditions may also cause the value of securities of the mutual fund to change from day to day.

The net asset value ("**NAV**") of a mutual fund is determined by subtracting a mutual fund's liabilities from its total assets (which include the cash and securities in its portfolio). By dividing this figure (net assets) by the total number of shares outstanding in the fund, one arrives at the NAV per share for the mutual fund. The NAV of a fund, and the price of your shares, will fluctuate with changes in the market value of the fund's particular investments. As a result, the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Your investment is not guaranteed

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

Redemptions may be suspended

Under exceptional circumstances, a mutual fund may suspend redemptions. See "*Purchases, Switches and Redemptions*" beginning on page 16 for more information.

Class Risk

The Fund is a separate class of mutual fund shares of the Fund Corporation and has its own assets and liabilities, which are used to calculate its value. Legally, the assets of the Fund are considered the property of the Fund Corporation, and the liabilities are considered obligations of the Fund Corporation. This means that if the Fund cannot meet its individual obligations, the assets of the other Corporate Funds, if any, may be required to pay for those obligations.

Commodity Risk

Some mutual funds may invest in commodities (e.g., oil, natural gas) or in securities, the underlying value of which depends on the price of commodities, such as natural resource and agricultural commodities and may obtain exposure to commodities using derivatives. The value of the fund will be influenced by changes in the price of the commodities, which tend to be cyclical and can move dramatically in a short period of time. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Credit Risk

Credit risk is the risk that the company or government that issued a bond or other fixed-income security is unable to pay interest or repay principal when due or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. This risk is lower for those issuers that have received a high credit rating from a credit rating agency and is higher for those issuers that have a low credit rating or no credit rating. The prices of securities with a low rating or no rating tend to fluctuate more than securities with higher ratings. They usually offer higher interest rates, which may help to compensate for the higher credit risk.

Currency Risk

The Fund's investments are valued in Canadian dollars. When the Fund buys foreign securities, however, they are purchased with foreign currency. As foreign currencies fluctuate in value against the Canadian dollar, an unfavourable move in exchange rates may reduce, or even eliminate, any return on a foreign security. The opposite can also be true, namely, the Fund can benefit from changes in exchange rates.

To manage the risk of foreign currency fluctuations and restrictions, the Fund may hedge a portion of this risk by, for example, purchasing forward currency contracts with another party. The use of forward currency contracts poses a risk that the other party may not be able to meet its obligations under the contract. There is also a risk that the use of such contracts may not be effective.

Derivatives Risk

The Fund may invest in derivatives such as forward agreements, options and swaps to the extent and for the purposes permitted by Canadian securities authorities. An investment in a derivative may be a means of obtaining a leveraged position in the underlying security. The value of a derivative may change more than proportionately to changes in value of the underlying security. The Fund may use derivatives for both hedging and non-hedging purposes.

The primary risk associated with an investment in a derivative instrument is that its value can be reduced to nil or a nominal amount if the price of the underlying security should decrease significantly below the exercise price (in the case of a call option or warrant) or increase significantly above the exercise price (in the case of a put option). Also, because permitted derivatives have a limited term, their value is influenced by the length of time to expiry. Some other risks of investing in derivatives are described below. No assurances can be provided that a fund's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attributes of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged.

Any historical correlation may not continue for the period during which the hedge is in place. Hedging against changes in stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. Similarly, no assurances can be provided that a liquid exchange or over-the-counter market will exist to permit the Funds to realize their profits or limit their losses by closing out positions.

The Fund is subject to the credit risk that its counterparties may be unable to meet their obligations. There is also a risk of loss of margin deposits in the event of bankruptcy of a dealer with whom a Fund has an open position in an option or futures or forward contract.

The Fund's ability to close out their positions may also be affected by stock exchange imposed daily trading limits on options and futures contracts. If a Fund is unable to close out a position, it will be unable to realize profits or limit losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. If the Fund is unable to close out options, futures or forward positions, that could have an adverse impact on the Fund's ability to use derivatives to hedge its portfolio effectively or implement its investment strategy.

Futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivative instruments also may be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, the Fund would be unable to close out its options and futures positions, and if restrictions on exercise of the options or performance of the futures contracts were imposed, the Fund might experience substantial losses.

Equity Risk

Companies issue equity securities, like shares, to raise money to finance their operations and future growth. Funds that purchase equities become shareholders of these companies. Equity share ownership does not provide a guaranteed return. The price of a share is influenced by numerous factors including: the health of the overall economy; the capability and integrity of a company's management; and the stability and longevity of demand for a company's products.

Certain convertible equity securities may also be subject to interest rate risk.

Exchange-Traded Fund Risk

The Fund may make limited investments in exchange-traded funds ("**ETFs**") as part of its investment strategies. Most ETFs are mutual funds whose units are purchased and sold on a securities exchange. An ETF is a portfolio of securities that is generally designed to track a particular market segment or index. If it tracks a particular market segment, such as infrastructure or real estate, its value will fluctuate with the value of the particular market segment it tracks. There are, however, ETFs that are actively managed like any other mutual fund and will have similar risks as a mutual fund, plus an additional risk resulting from trading on a stock exchange.

Investing in an ETF generally carries the same major risks as investing in any conventional fund (i.e., one that is not exchange-traded) that has the same investment objective, strategies and policies. It is important to be aware that the value of an ETF can go up or down, and a fund that invests in an ETF can lose money.

Some ETFs employ leverage, which involves borrowing money to increase the size of the investment. This strategy can magnify the risk associated with the underlying market segment or index.

An ETF may fail to accurately track the market segment or index that underlies its investment objective. In addition, an ETF may not be actively managed. Thus, the ETF might not sell a security when the security's issuer is in financial trouble, unless that security is actually removed from the applicable index being replicated. As a result, the performance of an ETF may be lower than the performance of an actively managed fund.

As with traditional mutual funds, ETFs charge asset-based fees. If the Fund invests in ETFs it will indirectly pay a proportionate share of that ETF's asset-based fees.

Moreover, ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF's units may trade at a premium or a discount to their NAV.
- An active trading market for an ETF's units may not develop or be maintained.
- The requirements of the exchange needed to maintain the listing of an ETF may change or may no longer be met.

Fixed Income Risk

Fixed income securities are subject to risks resulting from changes in interest rates and from credit risk. Prices of fixed income securities generally increase when interest rates decline, and decrease when interest rates rise. Prices of longer-term fixed income securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Credit risk is the risk that the company or government that issued a bond or other fixed-income security is unable to pay interest or repay principal when due or at all.

Foreign Investment Risk

When a fund invests in foreign securities, its value is affected by the economic, political and financial environments in the country of the government or company that issued that security. While the United States market has standards that are similar to those in Canada, other foreign markets may not. For example, some foreign markets may not be as well regulated as Canadian and United States markets. Their laws might make it difficult to protect investor rights. The political climate might be less stable. Business disclosure and accounting standards may be less stringent than in Canada and the United States making it difficult to obtain complete information about a potential investment. As a result, the value of foreign securities, and the value of funds that hold them, may rise or fall more rapidly and to a greater degree than Canadian and U.S. investments. In general, securities issued in more developed markets, like Western Europe, have low foreign investment risk. Securities issued in emerging or developing markets, like Southeast Asia or Latin America, have higher foreign investment risk.

Funds that concentrate their investments in a single country or region of the world tend to be riskier than funds with greater geographic diversification because prices of securities in the same markets tend to move up and down together.

Industry Concentration Risk

Some mutual funds concentrate their investments in a particular industry, or sector, of the economy. This allows the fund to focus on that industry's potential, but it also means that they tend to be more volatile than funds that invest in many industries. Securities in the same industry tend to be affected in the same way by changes in economic, regulatory, financial and market conditions. These funds must continue to invest in a particular industry, even if the industry is performing poorly. That means the funds will not be able to reduce risk by diversifying their investments into other industries.

Interest Rate Risk

Fixed-income securities, which include bonds, mortgages, treasury bills and commercial paper, pay a fixed rate of interest which is fixed when the instrument is issued. The value of funds that purchase fixed-income securities will rise and fall as interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the interest rate on that bond has increased relative to the market rate. Conversely, if interest rates rise, the value of an existing bond will fall. Some securities may be illiquid due to legal restrictions; the nature of the investment; certain investment features (i.e. guarantees); and/or investor disinterest in a particular security, company or market. Difficulty in selling fixed income securities may result in a loss or reduced return for a mutual fund.

Issuer Concentration Risk

Some mutual funds concentrate their investments in a particular issuer. This allows them to focus on that issuer's potential, but it also means that they tend to be more volatile than more diversified mutual funds. Their liquidity, and therefore their ability to satisfy redemption requests, may be adversely affected. And because these mutual funds invest in fewer issuers, they're affected more by the performance of individual issuers. These mutual funds may be riskier than other mutual funds that hold a greater number of issuers in their funds.

Liquidity Risk

Some securities may be difficult to buy or sell or illiquid because they're not well known, because political or economic events significantly affect them or because of legal restrictions imposed on their resale. This may result through investment in specific sectors, especially commodity sectors, and investments in developing or smaller markets. In addition, smaller companies may be hard to value because they are developing new products or services for which there is not yet a developed market or revenue stream. They may only have a small number of shares in the market, which may make it difficult for a mutual fund to buy or sell shares when it wants to. The value of mutual funds that hold these investments may rise or fall substantially.

Regulatory Risk

Some industries are heavily-regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as deregulation or reduced government funding. The value of a fund that buys these investments may rise and fall substantially.

Securities Lending Risk and Repurchase and Reverse Repurchase Transaction Risk

Mutual funds may engage in securities lending, repurchase and reverse repurchase transactions.

A securities lending transaction is where a fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where a fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the fund's purchase price for the debt instruments and the resale price provides the fund with additional income.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- the collateral held by the mutual fund must equal at least 102% of the market value of the security sold, loaned or cash paid (the collateral is adjusted on each business day to ensure that this value is maintained); and
- repurchase transactions and securities lending agreements are limited to 50% of a mutual fund's assets. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

Short Selling Risk

The Fund may engage in a disciplined amount of short selling. A "short sale" is where a fund borrows securities from a lender and then sells the borrowed securities (or sells short the securities) in the open market. At a later date, the same number of securities are repurchased by the fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the fund pays interest to the lender. If the value of the securities declines between the time that the fund borrows the securities and the time it repurchases and returns the securities, the fund makes a profit for the difference (less any interest the fund pays to the lender). Short selling securities involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the interest paid by the fund and make a profit for the fund, and securities sold short may instead increase in value. A Fund may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom a Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. If a Fund engages in short selling, it will adhere to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The Funds will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Although a Fund may not itself engage in short selling, it may be exposed to short selling risk because the underlying funds in which it invests may be engaged in short selling.

Small Capitalization Risk

Capitalization is a measure of the value of a company. Companies with small capitalizations may not have a well-developed or liquid market for their securities. Accordingly, these securities may be difficult to trade, making their prices more volatile than securities of companies with large capitalization.

Substantial Transaction Risk

The purchase or redemption of a substantial number of securities of a fund may require the portfolio manager to change the composition of the mutual fund's portfolio significantly or may force the portfolio manager to buy or sell investments at unfavourable prices, which can affect a mutual fund's returns. Therefore, the redemption of securities by a substantial unitholder may adversely affect the performance of a mutual fund.

Trust Unit Risk

Mutual funds that invest in trust units, such as oil and gas royalty trusts, real estate investment trusts, limited partnerships and income trusts, will have varying degrees of risk depending on the sector and the underlying asset. These may include business developments such as a decision to expand into a new type of business, the entering into of a favourable supply contract, the cancellation by a material customer of its contract, a material lawsuit, etc. Trust units are often more volatile than government bonds, corporate bonds and preferred shares.

Underlying Fund Risk

A mutual fund may invest directly in one or more underlying funds. If the mutual fund invests in an underlying fund, the mutual fund will indirectly become subject to certain risks that arise as a result of the investment objectives of the underlying fund. Also, if an underlying fund suspends redemptions or does not calculate its net asset value, the mutual fund will not be able to value all or part of its assets or redeem its shares. An adjustment to the mutual fund's holdings of an underlying fund may result in gains being distributed to shareholders. Accordingly, the underlying fund may have to make large purchases or sales of securities to meet the redemption or purchase requests of the mutual fund. The portfolio manager of the underlying fund may have to change the underlying fund's holdings significantly or may be forced to buy or sell investments at unfavourable prices, which may affect its performance and the performance of the mutual fund.

Fund details

This table gives a brief summary of the Fund. It describes what type of mutual fund it is, when it was established and the series of shares that the Fund offers. The table also highlights that shares of the Fund are a qualified investment under the Tax Act for Registered Plans.

Investment objective

This section outlines the investment objective of the Fund and the type of securities in which the Fund may invest to achieve the investment objective.

Investment strategies

This section describes the principal investment strategies that the portfolio advisor uses to achieve the Fund's investment objective. It gives a better understanding of how an investor's money is being managed. This section also highlights any significant investment restrictions adopted by the Fund.

Use of Derivatives

The Fund may use derivatives such as forwards, options, futures contracts, swaps, and other similar instruments, in a manner considered appropriate to achieving the Fund's investment objective and to the extent permitted by Canadian securities regulatory authorities. Derivatives may be used for hedging and non-hedging purposes, or to provide exposure to securities, indices, or currencies without investing in them directly. Derivatives may also be used to manage risk. When the Fund uses derivatives for non-hedging purposes, it is required by securities legislation to hold enough cash, cash equivalents, or other securities to fully cover its derivative positions. Derivatives used for non-hedging purposes will represent no more than 10% of the net asset value of the Fund.

How the Fund engages in Short Selling

A short sale by the Fund involves borrowing securities from a lender and selling those securities in the open market (or "selling short" the securities). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender on the borrowed securities. If the value of the securities declines between the time that a Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund will make a profit for the difference (less any interest the Fund is required to pay to the lender). Selling short provides the Fund with more opportunities for profits when markets are generally volatile or declining. The Fund will engage in short selling only within certain controls and limitations and pursuant to applicable securities legislation. Securities legislation imposes the following conditions and limits on the Fund's short selling activities. Securities will be sold short only for cash. A security sold short shall not be: (i) a security that the mutual fund is otherwise not permitted to purchase at the time of the short sale transaction; (ii) an illiquid asset; or (iii) a security of an investment fund unless the security is an index participation unit. At the time securities of a particular issuer are sold short by the Fund, (i) the Fund has borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale transaction; (ii) the aggregate market value of all securities of that issuer sold short will not exceed 5% of the net asset value of the Fund and (iii) the aggregate market value of all securities sold short by the Fund will not exceed 20% of the net asset value of the Fund. The Fund will also hold cash cover (as defined in National Instrument 81-102 – *Investment Funds* ("**NI 81-102**")) in an amount, including the Fund's assets deposited with borrowing agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by the Fund to purchase long positions other than cash cover.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions.

A securities lending transaction is where the Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the fund retains exposure to changes in the value of the borrowed securities while earning additional fees. A repurchase transaction is where the Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction. A reverse repurchase transaction is where the Fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the debt instruments and the resale price provides the Fund with additional income.

What are the Risks of Investing in the Fund?

Understanding risk and an investor's comfort with risk is an important part of investing. In each of the investment profiles, the section "*What are the Risks of Investing in the Fund?*" highlights the principal risks of the Fund. General information about the risks of investing and descriptions of each specific risk can be found in the section "*What is a mutual fund and what are the risks of investing in a mutual fund?*" starting on pages 34 through 46 of this document.

Investment Risk Classification and Methodology

The methodology used to determine the Fund's investment risk level for purposes of disclosure in this prospectus is based on the Investment Risk Classification Methodology in NI 81-102 that came into force effective September 1, 2017, as such methodology may be amended and updated from time to time (the "**Methodology**"). Pursuant to the Methodology, the most comprehensive, easily understood form of risk in this context is historical volatility risk as measured by the standard deviation of fund performance. However, the Manager recognizes that other types of risk, both measurable and non-measurable, may exist and we remind you that the Fund's historical performance may not be indicative of future returns and that the Fund's historical volatility may not be indicative of its future volatility. There may be times when the Methodology produces a result that the Manager believes is inappropriate in which case the Manager may re-classify a Fund to a higher risk level, if appropriate.

Based on the Methodology, the Fund's risk level as described in this document is determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. If the Fund does not have at least ten years of performance history, a reference index that is expected to reasonably approximate the Fund's standard deviation is used as a proxy for the ten-year period.

The Fund is assigned an investment risk level in one of the following categories:

Low – for Funds with a standard deviation range of 0 to less than 6;

Low-to-Medium – for Funds with a standard deviation range of 6 to less than 11;

Medium – for Funds with a standard deviation range of 11 to less than 16

Medium-to-High – for Funds with a standard deviation range of 16 to less than 20; and

High – for Funds with a standard deviation range of 20 or greater.

The risk rating set forth in the table below does not necessarily correspond to an individual investor's risk tolerance assessment. Investors are advised to consult their financial advisor for advice regarding an individual investor's personal circumstances.

The Fund does not have at least ten years of performance history. As such, the Manager has used a reference index that is expected to reasonably approximate such Fund's standard deviation as a proxy for the ten-year period:

Mutual Fund	Reference Index	Risk Rating
LDIC North American Small Business Fund (Series A and F shares)	S&P/TSX SmallCap Index (90%) and the Russell 2000 Index (10%) (the **"Index")** See page 45 for a brief description of the index.	Medium

Although monitored on a semi-annual basis, we review the investment risk level of the Fund on an annual basis and each time a material change is made to the Fund's investment strategies and/or investment objective.

Information about the Methodology is available on request at no cost by contacting us (collect) at (416) 362-4141, by emailing us at info@ldic.ca or by writing to us at 10 Alcorn Avenue, Suite 205, Toronto, Ontario, M4V 3A9.

Who Should Invest in this Fund?

In the Fund profiles, the section "*Who should invest in this Fund*?" explains the type of investor for whom the Fund may be suitable. When considering shares of the Fund for investment, either on your own or with the assistance of an advisor, you should thoroughly determine:

- your investment objectives – what you are expecting from your investments – income, growth or a balance of the two;
- your investment time horizon – how long you are planning to invest for; and
- your risk tolerance – how much volatility in your investment's return you are willing to accept.

When looking at the risks for the Fund, you should also consider how the Fund will work with your other investment holdings. For instance, an aggressive growth fund may be too risky an investment if it is your only investment. On the other hand, investing only a portion of your portfolio in the same aggressive growth fund may be an effective way to increase your potential portfolio returns while limiting overall risk.

Performance Benchmarks for Payments of Performance Fees

The benchmark for the LDIC North American Small Business Fund (Corporate Class) is a blended benchmark comprised of the following two indices:

- S&P/TSX SmallCap Index (90%)
- Russell 2000 Index (10%)

S&P/TSX SmallCap Index

The S&P/TSX SmallCap Index measures the performance of small cap Canadian equity securities listed on the Toronto Stock Exchange. Securities in the index are selected by S&P using its industrial classifications and guidelines for evaluating issuer capitalization, liquidity and fundamentals. The index is float adjusted and market cap weighted and was developed with industry input as the ideal benchmark for those with small cap exposure of the Canadian equity market.

Russell 2000 Index

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

Distribution Policy

The history of distributions paid is no indication of future distribution payments and the composition of distributions may vary. There is no guarantee of the amount of distributions that will be paid on any series of the Fund and the distribution policy for a series of the Fund can be changed by us at any time, including a reduction in the future, without notice to investors.

LDIC NORTH AMERICAN SMALL BUSINESS FUND (corporate class)
FUND DETAILS

Type of Fund	North American Small Cap Fund
Start Date:	Series A Shares: May 22, 2015 Series F1 Shares: May 31, 2016
Securities Offered:	Mutual Fund Corporation Shares
Eligibility for Retired Plans:	The shares are qualified investments for purchase by registered plans.
Manager:	LDIC Inc.

Name, Formation And History Of The Fund

The Fund is a class of shares of the Fund Corporation, a mutual fund corporation incorporated by articles of incorporation under the laws of the Province of Ontario on April 1, 2015. The Fund Corporation is authorized to issue an unlimited number of common shares and an unlimited number of shares designated as mutual fund shares which are issuable in series. The Fund Corporation filed articles of amendment on May 27, 2016 to create an additional series of the Fund being an unlimited number of Series F1 shares. All of the outstanding common shares of the Fund Corporation are held by the Manager. The Fund Corporation currently offers one class of shares, consisting of the LDIC North American Small Business Fund (Corporate Class). We may offer additional Funds in the future.

The head office of the Manager and the Fund Corporation is 10 Alcorn Avenue, Suite 205, Toronto, Ontario, M4V 3A9.

What Does The Fund Invest In?

Investment Objective

The investment objective of the Fund is to provide long-term capital appreciation and income by investing primarily in equity and fixed income securities of small capitalization companies based in North America.

The prior approval of shareholders is required before a fundamental change is made to the investment objective of the Fund. This approval must be given by a resolution passed by a majority of the votes cast at a meeting of the shareholders of the Fund.

Investment Strategies

In order to achieve its investment objective, the Fund invests primarily in equities and fixed income securities of small-capitalization companies based in North America. The Fund may also include similar investments in mid-capitalization businesses.

Techniques such as fundamental analysis may be used to assess the growth and value potential of an investment which requires evaluating the financial condition and management of each company, its industry and the overall economy. As part of this evaluation, the Manager may analyze financial data and other information sources, asses the quality of management, and conduct company interviews.

In seeking to achieve the investment objective of the Fund, the Manager may also choose to:

(i) Use derivatives such as options, forward contracts, futures contracts and swaps to:

- hedge its investments against losses from factors like currency fluctuations, stock market risks and interest rate changes, or changes in the prices of the Fund’s investments; or
- obtain exposure to individuals securities and markets instead of buying the securities directly provided the investment is consistent with the Fund’s investment objectives; and/or
- generate income;

all in accordance with the limits set forth in applicable securities legislation.

(ii) In accordance with NI 81-102, invest up to 10% of its net assets in other investment funds, including ETFs, in order to obtain indirect exposure to markets, sectors or asset classes. The proportions and types of underlying funds held by the Fund will be selected with consideration for the underlying fund’s investment objectives and strategies, past performance and volatility among other factors.

(iii) Hold cash or fixed-income securities for strategic reasons, such as to increase Fund liquidity or to seek to preserve portfolio assets during a market downturn.

(iv) Enter into repurchase, reverse purchase and securities lending transactions in order to earn additional income and manage the portfolio of the Fund, provided that the exposure of the Fund to any one issuer shall not exceed 50% of the Fund’s net assets. Securities lending transactions will be used in conjunction with the Fund’s investment strategies in a manner considered most appropriate by the Manager.

(v) In accordance with NI 81-102, invest up to 15% of its assets in illiquid securities including, but not limited to, restricted securities.

(vi) In accordance with NI 81-102, engage in short selling, provided that the aggregate exposure of the Fund as a result of short-selling activities shall not exceed 20% of the Fund’s net assets. In determining whether securities of a particular issuer should be sold short, the Manager uses the same analysis that is described above for deciding whether to purchase securities. The Fund will engage in short selling as a complement to the Fund’s investment objectives.

The Fund anticipates a medium to high portfolio turnover rate, which may have implications for you as an investor; the larger trading costs associated with a higher portfolio turnover rate may reduce the Fund's performance, and the Fund may earn taxable capital gains, which may be passed on to the shareholders.

What are the Risks of Investing in the Fund?

The Fund invests primarily in the equity and fixed-income securities of small-capitalization companies based in North America. The Fund may be subject to the following risks:

- Credit Risk
- Currency Risk
- Derivatives Risk
- Equity Risk
- Exchange-Traded Fund Risk
- Fixed Income Risk
- Foreign Investment Risk
- Interest Rate Risk
- Liquidity Risk
- Securities Lending Risk and Repurchase and Reverse Repurchase Transaction Risk
- Short Selling Risk
- Small Capitalization Risk
- Substantial Transaction Risk

The investment risk level of this Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Please see pages 44 to 46 for a description of the investment risk classification methodology and a description of the Fund's reference index.

Investment Restrictions

The Funds are subject to, and are managed in accordance with, certain restrictions and requirements contained in securities legislation, including NI 81-102, which is designed in part to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the appropriate administration of the Fund. The Fund is managed in accordance with these restrictions and practices.

The Fund is subject to restrictions that result from the Fund Corporation's intention to remain a "mutual fund corporation" under the provisions of the Tax Act and to ensure the shares remain "qualified investments" as defined in the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans, registered education savings plans, registered disability savings plans, tax-free savings accounts and first home savings accounts.

The Fund will not engage in any undertaking other than the investment of its assets in property for the purposes of the Tax Act. In the last year, the Fund has not deviated from the rules in the Tax Act that apply to the status of its securities as qualified investments. The Fund will continue to ensure that the shares will be a qualified investment.

Description of the Securities

The Fund offers one class of shares which is divisible into series. Each series of securities of the Fund is intended for different kinds of investors. If you cease to satisfy the criteria for holding any series of securities of the Fund, the Manager may switch such series into another series of securities of the Fund.

Series A shares of the Fund are designed for retail investors. Dealers through whom Series A shares are purchased will receive initial commissions payable by the investor, and on-going service fees (also called "trailer fees" or "trailing commissions") from the Manager on behalf of the Fund.

Series F1 shares of the Fund are designed for investors who participate in fee-based investment programs offered by their dealers. Series F1 shares are only available to investors whose dealer has entered into an agreement with the Manager to make Series F1 shares available to clients of that dealer. As a result, no sales commissions or trailer fees are paid by the Manager to dealers selling Series F1 shares of the Fund.

The fees and expenses for the Fund may differ from series to series. Please see "*Fees and Expenses*" on page 21 of the Simplified Prospectus for a description of the fees and expenses that you may have to pay if you invest in any of the above securities of the Fund.

Dividend Rights of the Fund

Dividends may be paid if, as and when declared by the board of directors of the Fund Corporation. Dividends are not paid at regular intervals. If paid, dividends will generally be allocated proportionately among all of the classes of shares of the Fund Corporation and among all series of shares of the Fund. However, in appropriate circumstances, the directors of the Fund Corporation have the right to allocate dividends to a particular class of shares if they believe it is reasonable to do so. If dividends are so declared in respect of the Fund, holders of a particular series of shares of the Fund which are outstanding on the record date established for the payment of any such dividends shall be entitled to receive that series' proportionate share, as determined on such record date, of any such dividends so declared payable by the Fund Corporation.

Liquidation Rights

The shares of the Fund rank equally with the shares of all other Corporate Funds on a return of capital on a liquidation, dissolution or winding-up of the Fund Corporation. Each series of shares of the Fund ranks equally with every other series of shares of the same Fund with respect to return of capital on a liquidation, dissolution or winding-up of the Fund Corporation. In the event of liquidation, dissolution or winding-up of the Fund Corporation or other distribution of assets among its shareholders for the purpose of winding-up its affairs, a shareholder of the Fund shall be entitled to participate in the remaining property of the Fund Corporation together with the shareholders of all the other Corporate Funds based on the relative net asset value per share of all Corporate Funds, which may be distributed in cash or other property at the discretion of the directors of the Fund Corporation. If any amounts payable on a return of capital in the event of a liquidation, dissolution or winding-up of the Fund Corporation are not paid in full, the shares of each Corporate Fund shall participate rateably in respect of such return of capital attributable to each Corporate Fund of the Fund Corporation, based on the relative net asset value of each such Corporate Fund.

Voting Rights

Shareholders of the Fund have one vote for each whole share of any series of shares of the Fund held by them at all meetings of shareholders of the Corporation. If the shares of one Corporate Fund or one series of shares of a Corporate Fund of the Fund Corporation are affected differently than the shares of another Corporate Fund or other series of shares of a Corporate Fund of the Fund Corporation, the affected shares of that one Corporate Fund or series of shares are entitled to vote separately as a Corporate Fund or as a series.

Redemption

Holders of any series of securities of the Fund are entitled to require the Fund to redeem their securities as described under "*Redemptions*" on page 18 of the Simplified Prospectus.

Certificates

No share certificates shall be issued by the Fund. The register for the shares is maintained by RBC Investor Services Trust, as record-keeper, on behalf of the Fund. The Manager or the dealers selling securities will furnish securityholders with statements providing details of any purchase or redemption of shares.

Switches and Reclassifications for the Fund

Subject to certain criteria imposed by the articles of incorporation of the Fund Corporation and restrictions set forth in the simplified prospectus of the Fund, you may request that your investment be switched from one Fund to another Fund within the Fund Corporation for the same or a different series of securities, or be reclassified from one series of shares to another series of shares of the same Fund, if you meet the criteria to hold the securities for the series that you are switching or reclassifying into. Please see "*Switches and Conversions*" on page 16 of the Simplified Prospectus.

Matters Requiring Securityholder Approval under NI 81-102

A meeting of securityholders of the Fund must be convened to consider and approve by a majority vote certain matters as required by NI 81-102. If only one series of shares is affected by the amendment, only investors holding securities of that series are entitled to vote. If more than series is affected, all investors holding securities of the affected series are entitled to vote together if they are affected in the same way and to vote separately as a series, as applicable, if affected in materially different ways by the proposed amendment. NI 81-102 currently provides that such approvals must be obtained before:

(a) the basis of the calculation of the fees or expenses that are charged to the Fund or directly to securityholders by the Fund or the Manager in connection with the holding of securities of the Fund is changed in a way that could result in an increase in charges to the Fund or its securityholders, or any such fee or expense is introduced;

(a) there is a change of the manager of the Fund (other than to an affiliate of the then manager);

(b) there is a change in the fundamental investment objectives of the Fund;

(c) the frequency of calculating the net asset value of a series of shares is decreased; and

(d) the Fund undertakes or participates in certain mergers or reorganizations.

Subject to the approval of the IRC, no securityholder approval will be required for a change of auditors of a Fund if securityholders of the Fund are sent a written notice at least 60 days before the effective date of the change.

With respect to the matters noted above as they relate to the Fund Corporation, in some circumstances only a particular Corporate Fund or series will vote on a particular matter and in other circumstances all of the Corporate Funds will vote on such matter.

Distribution Policy

The Fund expects to pay ordinary and capital gains dividends, if any, annually in December to all shareholders. The Fund may, in its discretion, make other distributions from time to time in any calendar year. Unless you tell us in writing that you would prefer to receive cash distributions, we will automatically invest Fund distributions in additional shares of the same series of the Fund at the series net asset value per share thereof on the date of distribution. Distributions by the Fund are not guaranteed to occur on a specified date and the Fund is not responsible for any fees or charges incurred by you because the Fund did not effect a distribution on a particular date.

ADDITIONAL INFORMATION

Additional information about the Fund will be available in the fund facts, management reports of fund performance and financial statements of the Fund. 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. Investors can get a copy of these documents, at their request, and at no cost, by contacting their registered representative or by calling the Manager (collect) at (416) 362-4141 or by emailing the Manager at info@ldic.ca.

These documents are also available the Manager's website at www.ldic.ca or by contacting the Manager at the address set forth below. Unless otherwise indicated herein, information about the Fund which may otherwise be obtained on the LDIC website is not, and shall not be deemed to be, incorporated in this Simplified Prospectus.

These documents and other information about the Fund are also available on SEDAR at www.sedar.com.

LDIC INC.

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