



MAVRIX

North American Growth Fund

Delivering Growth By Investing in Innovation

The **Mavrix North American Growth Fund** aims to participate in the growth of North America's most innovative companies, with a bias towards U.S. names over Canadian and Global. The portfolio is a concentrated selection of companies demonstrating above average growth in sales, cash flows and earnings. We want those companies to be market leaders in their area of business, growing or maintaining their market share while displaying through R&D spending a commitment to sustaining that leadership. There must be a sustainable and defensible competitive advantage and it must have the financial health and resources to execute its growth plans. The management must be strong, credible and visionary, displaying their own commitment through significant insider ownership. Finally, we look to buy these companies at reasonable valuations, relative to their growth prospects and the historic and current valuations of their peer groups.

Why Innovators?

Innovation in an economic sense refers to the successful exploitation of new ideas. These could be new and useful products, services, new methods of production or new business models. Pursued effectively, innovation can improve competitive positioning, market share, time-to-market, quality, efficiency and productivity. Companies that successfully innovate can establish and maintain significant advantages over those that don't.

Why Market Leaders?

In today's high-tech economy, with products becoming ever-more sophisticated and requiring higher research and development costs, market leadership delivers dramatic advantages through scale economies that facilitate price leadership to continue market share growth, R&D spending leadership to ensure long-term growth, and superior returns to investors. In addition, market leaders can often take advantage

of more outsourcing opportunities, have more alternatives to offer employees to retain intellectual capital, and more capital stock for M&A opportunities.

Why the U.S. Focus?

The U.S. market offers many advantages to Canadian investors, and especially "growth" investors. The U.S., representing roughly half of the worldwide equity market, offers investment opportunities in sectors not adequately represented or available in Canada and is far less cyclical than the Canadian market. For investors seeking growth companies the U.S. offers the world's most fertile breeding ground, the product of a culture of venture capital and M&A activity, property rights encouraging innovation and asset restructuring, a large pool of high-quality workers, access to foreign science and technology talent, a military research legacy, and the largest and most flexible labour force in the developed world.

Why a Concentrated Portfolio?

When we believe in the opportunity provided by an investment in a specific company, we want it to be capable of contributing meaningfully to the performance of the portfolio. While we still maintain a prudent level of diversification, we do not want to diversify away the returns that we have set out to capture as our primary objective.

Innovation Knows No Borders

Innovation in the US market can create investment opportunities globally through multi-national corporation relationships, outsourcing and multiple index equity trading. The fund is designed to seize on these situations as they arise to enhance returns.



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PORTFOLIO MANAGER

Ray Steele, CFA, CMA
CFO, Portfolio Manager
Mavrix Fund Management Inc.

Since 1985, Ray Steele has been a portfolio manager with several investment management companies. His clients have included mutual fund companies, banks, insurance companies, unions, and some of Canada's largest pension funds.

Ray Steele was a founding member of the Atlantic Canada Chapter of the Toronto Society of Financial Analysts.

INVESTMENT METHODOLOGY

- North American Growth fund focused on U.S. companies demonstrating sustainable above-average growth in earnings.
- Focused on innovative companies with dominant market share, R&D commitment to maintain leadership, and financial resources to execute growth plans.
- Unconstrained in terms of market cap and sector weights.
- Fully-invested, concentrated portfolio of 20-40 names.
- Can be invested up to 25% in Global securities to seize opportunities as they arise.

Mavrix Fund Management Inc., one of Canada's most innovative mutual fund organizations, brings to Canadian investors a top portfolio manager to pursue growth by investing in innovation.

The above should be used as a general source of information and every effort has been made to ensure that the material is accurate at the time of publication. However, Mavrix Fund Management Inc. cannot guarantee the accuracy and accepts no responsibility for any loss arising from the use of or reliance on the information contained herein. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently and past performance provides no assurance or indication of future performance. Mutual fund securities are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. All performance data assume re-investment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please review the Fund's prospectus carefully for important information before investing. (December 2009)

TYPICAL INVESTOR

Individual investor seeking a tax-efficient, concentrated North American equity investment yielding high growth levels above broad equity market indices.

INVESTMENT POLICY DATA

Fund Type: North American equity with U.S. equity bias

Portfolio Composition: 20-40 U.S. and Canadian stocks, and up to 25% Global

Style Bias: Growth/value blend: growth bias

Sector Weightings: Not predetermined/opportunistic; bias towards technology, industrials, health care, and consumer products

Benchmark: S&P 500 Index (in CDN \$) and S&P/TSX Composite Index (pro-rated to portfolio mix)

Target Return: Outperform benchmark over long-term periods

Volatility Control: Diversification across market caps, growth stages of companies and across U.S. and Canadian sectors

FUND DATA

Fund Codes:	Front:	MAV108
	DSC:	MAV208
	Low-load DSC:	MAV508
	F Class:	MAV728

I Class (Institutional) and O Class (HNW) available

Inception: June 4, 1998

Distributions: Annually, if any

RRSP Eligibility: 100%

SERVICE FEES:

Front: 1.00%

DSC: 0.50%

Low Load DSC: 1.00%