



SHELTER FOR YOUR NON-REGISTERED INVESTMENTS

An investor's guide to Dynamic Corporate Class Funds

Dynamic Funds[®]
Invest with advice.

TAX-SAVVY INVESTING WITH DYNAMIC FUNDS

Aside from market volatility, one of the biggest obstacles to investment growth is tax. Your investments are important, so it's essential to find a vehicle that allows them to grow without being eroded by taxes.

This is easy to achieve when you're investing in a tax-advantaged plan such as an RRSP or TFSA. But what about those non-registered dollars that are unable to benefit from the attractive tax advantages of their registered counterparts? Dynamic Funds has a solution called Dynamic Corporate Class Funds.

WHAT ARE DYNAMIC CORPORATE CLASS FUNDS?

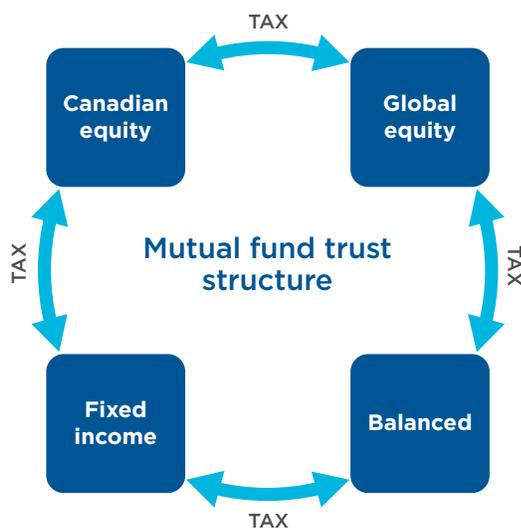
Mutual fund investments can be structured in one of two ways: a mutual fund trust or a mutual fund corporation. Corporate Class is the name given to mutual fund investments that reside in a mutual fund corporation. Under this structure, each mutual fund class is a part – or a share – of the overall corporation. Dynamic has created a mutual fund corporation, and each mutual fund class within it is referred to as a Dynamic Corporate Class Fund.

Dynamic Corporate Class Funds are specially designed to provide these major advantages for your non-registered money:

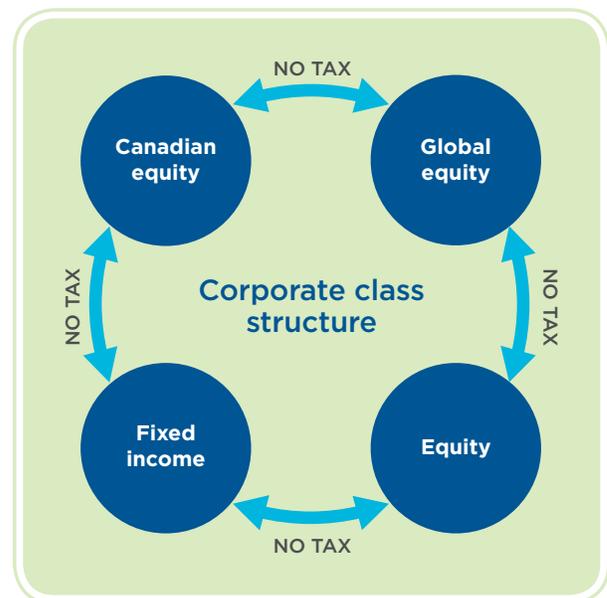
Tax-deferred rebalancing

Over time, your Advisor may recommend that you switch between mutual fund investments for a variety of reasons. For example, as markets shift, the asset allocation in your portfolio may change – and as a result, you may want to rebalance your portfolio to ensure that you remain on track to meet your long-term goals.

Under the structure of a traditional mutual fund trust, when you rebalance between funds your investments are exposed to tax on any capital gains realized as a result of the switch. Under Dynamic Corporate Class Fund structure, however, these transactions are tax-deferred as long as you switch between other Dynamic Corporate Class Funds.



Switching between mutual fund trusts triggers a taxable disposition



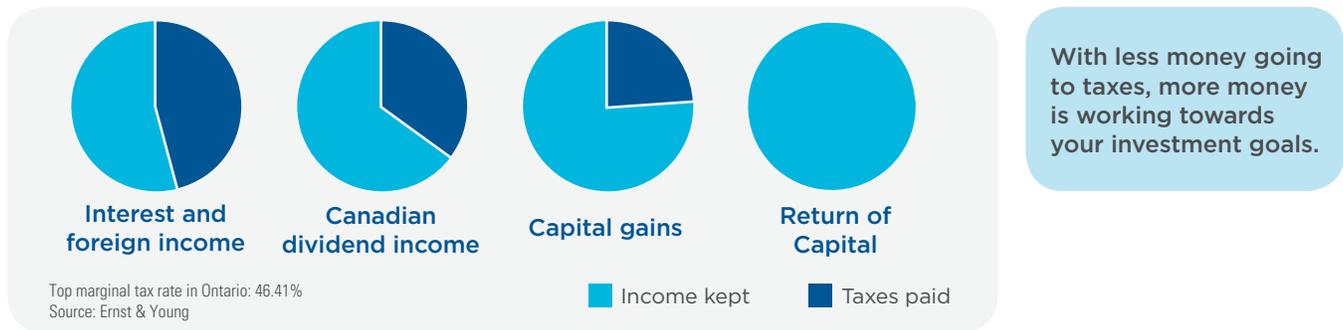
Switching between Dynamic Corporate Class Funds *does not* trigger a taxable disposition

Using Dynamic Corporate Class Funds provides the freedom to make important investment decisions like rebalancing your portfolio without always having to worry about the tax consequences.

Tax-advantaged income

Mutual funds generate and distribute income to investors depending on their underlying investments, and all of this income is subject to tax.

Depending on the type of income you receive, tax can take a big bite out of the total dollar amount – leaving you with less in your pocket after taxes are paid. Dynamic Corporate Class Funds are structured so that while they may pass on income to investors, it will be in the form of an ordinary Canadian dividend or a capital gains dividend (taxed as capital gains); two of the more tax-advantaged forms of income. In addition, many of Dynamic Corporate Class Funds offer monthly distributions in the form of a return of capital, which are completely tax deferred.

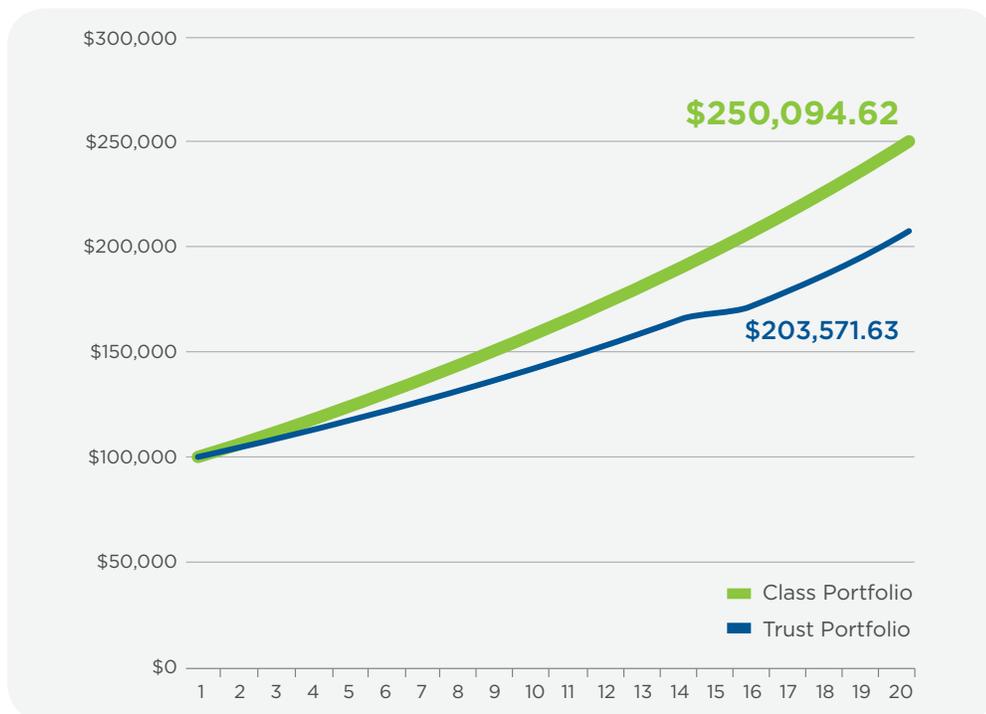


With less money going to taxes, more money is working towards your investment goals.

It is important to note that interest and foreign income earned in the Dynamic Corporate Class Fund structure are not passed on to investors but may be subject to tax within the corporation, and this could result in a decrease in the Fund's net asset value. However, since Dynamic Corporate Class Funds exists as one entity for tax purposes, we endeavour to manage the corporation in an attempt to minimize the amount of tax liability within the corporation.

HOW DYNAMIC CORPORATE CLASS FUNDS CAN WORK FOR YOU OVER TIME

To illustrate the advantages of Dynamic Corporate Class Funds, we have illustrated the hypothetical returns of two non-registered portfolios.* One is made up of mutual fund trusts – the other is made up of Dynamic Corporate Class Funds.



Over 20 years, the corporate class portfolio accumulated approximately 23% more than the mutual fund trust portfolio.

That's more than \$46,000 more towards your retirement or other financial goals.

* This hypothetical scenario assumes a \$100,000 initial investment in portfolios consisting of 80% equity and 20% fixed income switching to 60%/40% after 5 years, 40%/60% after 10 years and 20%/80% after 15 years. Annual return of 6% on equity and 4% on fixed income for an average annual portfolio return of 4.71%. The fixed income portion of the Trust portfolio generates 3% annually of net interest income distribution. Corporate Class portfolio generates 1% annually of net interest income (income not offset by the corporation's expenses) which is taxed within the corporation. The Trust and Corporate Class portfolios will distribute annually 3% of capital gains and 1% of capital gains dividend (net of capital losses and capital gains refund generated within the corporation), respectively. Scenario assumes capital gain inclusion rate of 50%, a marginal tax rate of 46.41% and corporate tax rate of 39.50%. In this hypothetical situation, the Corporate Class portfolio accumulates \$46,523 (22.85%) more than the traditional Trust portfolio.

ABOUT DYNAMIC FUNDS

Dynamic Funds began as a small investment club in Montreal in 1957 and has since grown into an award-winning family of funds, encompassing more than 80 investment products with the loyal support of Financial Advisors and Investors nationwide. We offer a comprehensive range of products and services that span every major sector, asset class, geographic region and investment discipline. Today, Dynamic Funds is one of the largest fund families in Canada, bringing together some of the most astute investment professionals in the country to command a wealth of diverse investment solutions.

Talk to your Financial Advisor today about how you can benefit from Dynamic Corporate Class Funds.

Head Office

Dynamic Funds Tower
1 Adelaide St. E., Ste. 2900
Toronto, ON M5C 2V9
Toll free: 1-866-977-0477
Tel: 416-363-5621

Customer Relations Centre

Toll free: 1-800-268-8186
Tel: 514-908-3212 (English)
514-908-3217 (French)
Fax: 416-363-4179 or 1-800-361-4768
Email: service@dynamic.ca

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