ALTERNATIVE MUTUAL FUNDS
Venator Alternative Income Fund
Venator Founders Alternative Fund

Offering Series A, Series F and Series I Units

SIMPLIFIED PROSPECTUS
dated June 30, 2022

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

The Funds and the units of the Funds offered under this document are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registrations.

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PART A: GENERAL DISCLOSURE

INTRODUCTION

To make this Simplified Prospectus easier to read, we use the following terms throughout:

- **We**, **us**, **our** and **Venator** refer to **Venator Capital Management Ltd.** in its capacity as trustee, manager and portfolio manager of the Funds.
- **You** refers to an individual investor and everyone who invests or may invest in the Funds.
- **Fund, individually and, collectively, the Funds** refers to our mutual funds that are offered to the public under this Simplified Prospectus listed on the cover. The Funds are mutual funds which are subject to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* ("**NI 81-101**") and National Instrument 81-102 *Investment Fund* ("**NI 81-102**").
- **Dealer** refers to both the dealer and the registered representative in your province or territory who advises you on your investments.
- **Registered plans** refer to RRSPs, RRIFs, TFSAs, RESPs, RDSPs, and DPSPs each as defined in this Simplified Prospectus.

This Simplified Prospectus contains selected important information to help you make an informed investment decision about investing in the Funds and to help you understand your rights as an investor. This Simplified Prospectus contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. This Simplified Prospectus is divided into two parts.

- **Part A**, from pages 1 through 35, contains general information applicable to the Funds.

- **Part B**, from pages 36 through 50, contains specific information about each of the Funds described in this Simplified Prospectus.

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

- the Annual Information Form;
- the most recently filed fund facts;
- the most recently filed annual financial statements;
- any interim financial statements filed after those annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this Simplified Prospectus just as if they were printed as a part of this Simplified Prospectus. These documents are available at your request, and at no cost, by calling us at 416-934-7994, by e-mailing us at info@venator.ca or by contacting your Dealer.

These documents and other information about the Funds are available on our website at www.venator.ca, at www.sedar.com or by contacting us at info@venator.ca.

EXEMPTIONS FROM NI 81-102

The Funds have obtained the following exemptions from NI 81-102:

1) from the following provisions (the "**Total Borrowing Limit**") of NI 81-102 in order to permit each Fund to borrow up to 100% of the Fund's net asset value ("**NAV**") under the Cash Currency Hedging Strategy (as defined below),

   a. paragraph 2.6(2)(c) of NI 81-102, that provides that an alternative mutual fund may borrow cash or provide a security interest over any of its portfolio assets if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, does not exceed 50% of the fund's NAV; and

   b. section 2.6.2 of NI 81-102, which prohibits an alternative mutual fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund would exceed 50% of the fund's NAV (collectively, the "**Cash Currency Hedging Strategy Relief**"); and

2) from the following provisions of NI 81-102 (the "**Total Borrowing and Short Sales Limit**"), in order to permit each Fund to borrow cash or short sell securities under the Leverage Strategies (as defined below), provided that, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the Fund does not exceed 100% of the Fund's NAV:

   a. paragraph 2.6(2)(c) of NI 81-102;

   b. subparagraph 2.6.1(1)(c)(v) of NI 81-102 that restricts an alternative mutual fund from selling a security short if, at the time, the aggregate market value of the securities sold short by the fund exceeds 50% of the fund's NAV (the "**Short Selling Limit**"); and

   c. section 2.6.2 of NI 81-102 (collectively, the "**Leverage Strategies Relief**"); and

3) with respect to Series A and Series F Units of the Venator Alternative Income Fund, (a) to permit the Venator Alternative Income Fund to include, with respect to such Units, performance data in sales communications notwithstanding that the performance data will relate to a period prior to the Venator Alternative Income Fund offering its securities under a prospectus; and (b) to permit the Venator Alternative Income Fund to include its past performance data in determining its investment risk level in accordance with Appendix F of NI 81-102; and

4) from the following provisions of NI 81-102:

   a. subsection 9.3(1),

      i. to permit each Fund to process purchase orders for its units, as described in this Simplified Prospectus and Fund Facts, on a weekly basis at their series NAV per unit calculated as at the last Valuation Date of the weekly period in which the purchase order for such units is received; (the "**Purchase Processing Frequency**"); and

   b. subsection 10.3(1),

i. to permit each Fund to process redemption orders for its units, as described in this Simplified Prospectus and Fund Facts on at least 5 business days prior written notice, on a weekly basis, redeeming such units at their series NAV per unit calculated on the last Valuation Date of each weekly period in which the redemption order for such units is processed; (the "**Redemption Processing Frequency**").

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

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money contributed by people with similar investment objectives and invests in a portfolio of securities to be managed by a professional investment manager. Investing in a mutual fund allows investors to hold a larger variety of securities than most investors could hold individually. By investing in a mutual fund, investors often increase their ability to diversify their investment portfolios. Unitholders share a mutual fund's income, common expenses, gains and losses in proportion to their interest in the mutual fund.

The value of an investment in a mutual fund is primarily realized through distributions paid by the mutual fund to its investors and through redeeming securities of the mutual fund.

What is a unit?

The pool of assets that comprise a mutual fund is generally held in a trust known as a mutual fund trust. When an investor wishes to have money managed by an investment professional, he or she purchases an interest, known as a unit, in a mutual fund trust. The money used to purchase units becomes part of the pool of assets that are invested by the mutual fund's investment manager. The more money you invest in a mutual fund, the more units you acquire. The more units you acquire, the greater your interest in the mutual fund's profits or losses.

The purchase price of a unit changes daily because it is dependent upon the value of the securities that are acquired by the mutual fund's investment manager using the money that has been invested in the mutual fund. If the value of the securities purchased by the mutual fund goes up, the value of a unit of the mutual fund goes up. Similarly, if the value of the securities purchased by the mutual fund goes down, the value of a unit of the mutual fund goes down.

The Funds are organized as open-ended unit trusts governed by the laws of the Province of Ontario and established under an amended and restated declaration of trust (the "**Declaration of Trust**"). In this Simplified Prospectus, we refer to the securities issued by the Funds as "units". Each Fund currently offers four series of units (each, a "**series**" and together, "**series**") but may, in the future, offer additional series of units without notification to, or approval of, investors. Each series of units is intended for a different investor and may entail different fees. The owner of a unit is referred to as a "**unitholder**". The different series of units available under this Simplified Prospectus are described under the section entitled "*Purchases, Switches, Reclassifications and Redemptions*".

What are the risks of investing in a mutual fund generally?

As an investor, there is always a risk you could lose money. Mutual funds are no exception, but the degree of risk varies considerably from one mutual fund to the next. As a general rule, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

Mutual funds own different types of investments, depending upon their investment objectives. These can include stocks, bonds, securities of other mutual funds and/or exchange-traded funds, cash and cash equivalents like treasury bills and derivatives. There is no guarantee that a mutual fund will be able to achieve its investment objective. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the net asset value ("**NAV**") of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The full amount of your original investment in a Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer. It is possible to lose money by investing in a mutual fund. Under exceptional circumstances, a mutual fund may suspend redemptions. For more information, please refer to the section entitled *"Purchases, Switches, Reclassifications and Redemptions".*

The Funds offered under this Simplified Prospectus are considered "alternative mutual funds" meaning they are permitted to use strategies generally prohibited to be used by conventional mutual funds, such as the use of derivatives for hedging and non-hedging purposes; increased ability to sell securities short; and the ability to borrow cash to use for investment purposes. While these strategies will be used in accordance with the Funds' investment objectives and strategies, during certain market conditions they may accelerate the pace at which your investment decreases in value. The Funds intend to use leverage, both directly and indirectly, through cash borrowing, short selling and specified derivatives transactions, within a range between 0% and 300% of their NAV. For more information regarding the risks associated with these strategies, please see "*Concentration Risk*", "*Derivatives Risk*", "*Leverage Risk*" and "*Short Selling Risk*" below.

What are the specific investment risks of investing in a mutual fund?

Mutual funds are subject to a variety of risk factors depending on their investment objectives. Set out below is a description of some risks of investing in mutual funds. To find out which of these risks apply to an investment in each Fund, please refer to "*What are the Risks of Investing in the Fund?*" described in Part B. The following does not purport to be a complete summary of all the risks associated with an investment in mutual funds. Prospective unitholders should read this entire Prospectus and consult with their own advisors before deciding to subscribe.

Call Risk
Where a Fund invests in securities that are redeemed (or "called") by the issuer prior to maturity, a Fund may be required to reinvest the proceeds in securities that pay a lower interest rate and may therefore decrease such Fund's yield. Call risk will most likely occur during periods of declining interest rates.

Capital Depletion Risk
A Fund may make distributions that are, in whole or in part, a return of capital. A return of capital reduces your original investment amount and may result in the entire amount of your original investment being returned to you. A distribution of this nature should not be confused with "yield" or "income". You should not draw any conclusions about a Fund's investment performance from the amount of this distribution. Returns of capital made to you will reduce the adjusted cost base of your remaining fund securities. As is

the case with any kind of cash distribution, returns of capital that are not reinvested will reduce the NAV of the Fund that you are invested in and in the remaining securities of such Fund.

Changes in Investment Strategy Risk

The Manager may alter the investment strategy of a Fund without prior approval by the Unitholders if the Manager determines that such change in strategy is consistent with a Fund's investment objective and in the best interest of its Unitholders. There is no guarantee that such a change in investment strategy will be profitable or will not cause losses for unitholders.

Charges to the Fund Risk

A Fund is obligated to pay all fees, brokerage commissions and legal, accounting, filing and other expenses regardless of whether the Fund realizes profits. In addition, the Fund may allocate profits to the Manager in respect of a fiscal year as described in "Fees and Expenses".

Commodity Risk

A Fund may invest directly or indirectly in commodities such as gold, silver, platinum, palladium or in companies engaged in the energy, natural resource or other commodity focused industries. These investments, and therefore the value of the Fund's investment in these commodities or in these companies and the NAV of the Fund, will be effected by changes in the price of commodities which include, among others, gold, silver, platinum and palladium and which can fluctuate significantly in short time periods. Commodity prices can change as a result of a number of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values. Direct purchases of bullion by the Fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of the Fund.

Concentration Risk

A Fund may concentrate its investments in securities of a small number of issuers, sectors or countries. A relatively high concentration of assets in a small number of investments may reduce the diversification of the Fund's portfolio. The Fund may be unable to satisfy redemption requests if it cannot sell these investments in a timely and orderly manner. The Fund's performance may be more volatile due to the impact of the changes in value of these investments on the Fund.

A Fund may be subject to increased concentration risk as it is permitted to invest up to 20% of its NAV in the securities of a single issuer. For more information please refer to the "Investment Strategies" section in Part B of this Simplified Prospectus.

Convertible Securities Risk

Convertible securities are fixed-income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the issuer's common stock when that price approaches or exceeds the convertible security's conversion price. The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company.

Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

Corporate Debt Securities Risk
Corporate debt securities are fixed income securities issued by businesses. The market value of corporate debt securities may be affected by changes in the market rate of interest, the credit rating of the corporate issuer, the corporate issuer's performance and perception of the corporate issuer in the marketplace. Corporate issuers may not be able to meet their obligations in interest or principal payments at the times specified by the debt security.

Counterparty Risk
A Fund may enter into customized derivative transactions that are subject to the risk of credit failure or the inability of, or refusal by, the counterparty to perform its obligations with respect to such customized derivative transactions, which could subject the Fund to substantial losses.

Credit Risk
An issuer of a bond or other fixed income investment may not be able to pay interest or to repay the principal at maturity. The risk of this occurring is greater with some issuers than with others. For example, the risk of default is quite low for most government and high-quality corporate securities. Where this risk is considered greater, the interest rate paid by the issuer is generally higher than for an issuer where this risk is considered to be lower. This risk could increase or decline during the term of the fixed income investment.

Companies and governments that borrow money, as well as their debt securities, may be rated by specialized rating agencies. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Other factors can also influence a debt security's market value, such as the level of liquidity of the security or a change in the market perception of the creditworthiness of the security, the parties involved in structuring the security and the underlying assets, if any. Lower rated debt instruments such as an instrument that has a credit rating below investment grade or may not be rated at all (sometimes referred to as "high yield"), generally offer a better yield than higher-grade debt instruments, but have the potential for substantial loss as compared to higher grade instruments.

Currency Risk
Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the foreign currency, the value of the mutual fund's investment will have increased. While it is the intention of the Funds to hedge this risk through a program of currency risk management, there is no assurance that the Funds will be able to remove all currency risk exposure.

Some mutual funds may use derivatives such as options, futures, forward contracts, swaps and customized types of derivatives to hedge against losses caused by changes in exchange rates. Please see "*Investment Strategies*" in Part B of this Simplified Prospectus

Cyber Security Risk
With the increased use of technology in the course of business, the Funds are susceptible to operational, information security and related risks. Generally, cyber security incidents can result from deliberate attacks or unintentional events that threaten the integrity, confidentiality or availability of a Fund's information

resources. A cyber security incident includes, but is not limited to, gaining unauthorized access to a Fund's electronic systems (e.g., through hacking or malicious software) to corrupt data, disrupt business operations or steal confidential or sensitive information, or may involve denial of service attacks which may cause system failures and disrupt business operations. Failures or breaches of the electronic systems of a Fund, Venator, other service providers (e.g., transfer agent, custodian and prime brokers) or the issuers of securities in which a Fund invest have the ability to cause disruptions and negatively impact a Fund's business operations. These disruptions could potentially result in financial losses, interference with the Fund's ability to calculate its NAVs, impediments to trading, inability of the Fund to process transactions including redeeming units, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or compensation or additional compliance costs associated with corrective measures. Similar adverse consequences could result from cyber security incidents affecting the issuers of securities in which a Fund invests and counterparties with which a Fund engages in transactions. In addition, substantial costs may be incurred to prevent any cyber security incidents in the future. While the Manager has established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems and there is no guarantee that such efforts will succeed. Furthermore, the Funds cannot control the cyber security plans and systems of the Funds' service providers or issuers of securities in which the Funds invest.

Derivatives Risk

A Fund may use derivative instruments to help it achieve its investment objective. These investments usually take the form of a contract between two parties where the value of the payments required under the contract is derived from an agreed source, such as the market price (or value) of an asset (which could be, for example, currency or stocks) or from an economic indicator (such as a stock market index or a specified interest rate). Derivatives are not a direct investment in the underlying asset itself. If a Fund uses derivatives, applicable securities laws require that the Fund hold enough assets or cash to cover its commitments in the derivative contracts. This limits the amount of losses that could result from the use of derivatives.

A Fund may generally use two types of derivatives: options and forwards. An option gives the holder the right, but not the obligation, to buy or sell the underlying interest at an agreed price within a certain time period. A call option gives the holder the right to buy; a put option gives the holder the right to sell. A forward is a commitment to buy or sell the underlying interest for an agreed price on a future date.

Some derivatives are settled by one party's delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The Funds are expected to use derivatives for hedging and non-hedging purposes as described below and within the investment objectives and strategies as set out in Part B of this Simplified Prospectus.

The use of derivatives carries several risks:

- The cost of entering into and maintaining a derivative contract may reduce a Fund's total return to investors.
- There is no guarantee that a market will exist for securities underlying some derivatives when a Fund wishes to close out its position in a derivative, which could prevent the Fund from selling or exiting the derivatives at the appropriate time. Therefore, the Fund may be unable to realize its profits or limit its losses.
- It is possible that the other party to the derivative contract will not meet its obligations under the contract.

- When entering into a derivative contract, a Fund may be required to deposit margin or collateral with the contract counterparty. If the counterparty goes bankrupt, or if the counterparty is unable or unwilling to perform its obligations in respect of the Fund, the Fund could lose its margin or its collateral or incur expenses to recover it.
- A Fund may use derivatives to reduce certain risks associated with investments in foreign markets, currencies or specific securities. Using derivatives for these purposes is called hedging. Hedging may not be effective in preventing losses. Hedging may also reduce the opportunity for gain if the value of the hedged investment rises, because the derivative could incur an offsetting loss. Hedging may also be costly or difficult to implement.

Emerging Markets Risk
Emerging markets have the risks described under *Currency risk* and *Foreign investments risk*. In addition, these markets are more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held by a Fund. Furthermore, accounting and auditing standards and practices may be less stringent than similar standards in developed countries resulting in limited availability of information relating to a Fund's investments. Emerging market securities may also often be less liquid and custody and settlement mechanisms may be less developed in emerging market countries, resulting in delays and the incurring of additional costs to execute trades of securities.

Equity Risk
Companies issue equity securities, or stocks, to help pay for their operations and to finance future growth. Stocks carry several risks and a number of factors may cause the price of a stock to fall. These include specific developments relating to the company, stock market conditions where the company's securities trade and general economic, financial and political conditions in the countries where the company operates. Since a Fund's unit price is based on the value of its investments, an overall decline in the value of the stocks it holds will reduce the value of the Fund and, therefore, the value of your investment. However, if the price of the stocks in the portfolio increases, your investment will be worth more. Equity funds generally tend to be more volatile than fixed income funds, and the value of their units can vary widely.

European Investments Risk
Investments in European countries may expose a Fund to the economic and political risks associated with Europe in general terms and the specific European countries in which it may make investments. The economies and markets of European countries are often closely connected and interdependent, and events in one country in Europe can have an adverse impact on other European countries. The Funds may make investments in securities of issuers that are domiciled, or have significant operations, in member countries of the European Union. The European Union requires compliance by member countries with restrictions on inflation rates, deficits, interest rates and debt levels, as well as fiscal and monetary controls, each of which may significantly affect every country in Europe, including those countries that are not members of the European Union. Changes in imports or exports, changes in governmental or European Union regulations on trade, changes in the exchange rate of the Euro (the common currency of certain European Union member countries), the default or threat of default by a European Union member country on its sovereign debt and/or economic recession in a European Union member country may have a significant adverse effect on the economies of the European Union member countries and their trading partners. The European financial markets have experienced volatility and adverse trends in recent years due to concerns about economic downturns or rising government debt levels in several European countries including, but not limited to, Greece, Ireland, Italy, Portugal, Spain and Ukraine. These events have adversely affected the exchange rate of the Euro and may continue to significantly affect other European countries. Responses to the financial problems by European governments, central banks and others, including austerity measures and reforms, may not produce the desired results, may result in social unrest and may limit future growth

and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and other entities of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world. In addition, one or more countries may abandon the Euro and/or withdraw from the European Union. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far reaching. On January 31, 2020, the United Kingdom left the European Union. There may be significant new uncertainties and instability in the financial markets as the United Kingdom continues to develop its new relationship with the European Union following its exit therefrom. Finally, the occurrence of terrorist incidents throughout Europe also could impact financial markets. The impact of such events is not clear but could be significant and far reaching and adversely affect the value of a Fund. Investments by the Funds could be negatively impacted by any economic or political instability in any European country.

Exchange-Traded Fund Risk
A Fund may from time to time invest in exchange-traded funds ("**ETFs**") which qualify as index participation units under NI 81-102. An index ETF will seek to provide returns similar to the performance of a particular market index. An index ETF may not be able to achieve the same return as its benchmark market index due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index, and due to the operating and management expenses of, and taxes payable by the ETF.

While investment in an ETF generally presents the same risks as investment in a conventional mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional mutual funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their NAV or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

Fixed Income Investment Risk
Certain general investment risks can affect fixed income investments in a manner similar to equity investments. For example, specific developments relating to a company and general financial, political and economic (other than interest rate) conditions in the country in which the company operates. For government fixed income investments, general economic, financial and political conditions may affect the value of government securities. Since a Fund's unit price is based on the value of its investments, an overall decline in the value of its fixed income investments will reduce the value of the Fund and therefore, the value of your investment. However, your investment will be worth more if the value of the fixed income investments in the portfolio increases.

Investment in the Funds should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. The value of the bonds held by the Funds will be affected by the risk of default in the payment of interest and principal and price changes due to such factors as general economic conditions and the issuer's creditworthiness.

Foreign Investments Risk
The Funds may invest in securities sold outside Canada and the U.S. and may invest in emerging markets. The value of foreign securities, and the unit value of the Funds may fluctuate more than Canadian and U.S. investments because:

- Companies outside Canada and the U.S. may not be subject to the same regulations, standards, reporting practices and disclosure requirements that apply in Canada and the U.S.;
- Some foreign markets may not be as well regulated as Canadian and U.S. markets and their laws might make it difficult to protect investor rights;
- Political instability, social unrest, diplomatic developments or political corruption in foreign countries could affect foreign securities held by a Fund;
- There is a chance that foreign securities may be highly taxed or that government-imposed exchange controls may prevent a Fund from taking money out of the country;
- Companies in emerging markets often are relatively small, lack lengthy operating histories, have limited product lines, markets and financial resources and are often traded only through foreign stock exchanges; and
- Changes to foreign currency exchange rates will affect the value of foreign securities held by a Fund.

General Economic and Market Conditions Risk
The success of a Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments. Unexpected volatility or illiquidity could impair a Fund's profitability or result in losses.

Hedging Risk
Although a hedge is intended to reduce risk, it does not eliminate risk entirely. A hedging strategy may not be effective. A hedge can result in a loss in the case of an extraordinary event. There are several such possible cases including, but not limited to: (i) a cease trade order being issued in respect of the underlying security, (ii) the inability to maintain a short position, due to the repurchase or redemption of shares by the issuing company, (iii) disappearance of any conversion premium due to premature redemptions, changes in conversion terms or changes in an issuer's dividend policy, (iv) credit quality considerations, such as bond defaults and (v) lack of liquidity during market panics. To protect each Fund's capital against the occurrence of such events, the Manager will attempt to maintain a diversified portfolio.

High Yield Securities Risk
A Fund may invest, directly or indirectly, in high yield securities that, at the time of purchase, are rated below investment grade. High yield securities risk is the risk that the securities rated below investment grade by a rating agency and/or determined as such by the Portfolio Manager may be more volatile than higher-quality securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk and may be traded on markets that are less liquid as compared to higher-quality securities. The value of high yield securities can be adversely affected by overall economic conditions such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price, and more difficult to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies, or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal. High yield securities may also be issued by sovereign governments of countries with less-well developed economies, political systems and/or financial markets.

Income Trusts, Partnerships and REITs Risk
An income trust or partnership generally holds debt and/or equity securities of an underlying active business or is entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed. These investments are subject to the risks of the particular type of underlying business, including supply contracts, the cancellation by a major customer of its contract or significant litigation. The governing law of the income trust may not limit, or may not fully limit, the liability of unitholders of the trust for claims against the income trust.

Interest Rate Risk
Mutual funds that invest in fixed income securities, such as bonds, and money market instruments, are sensitive to changes in interest rates. In general, when interest rates are rising, the value of these investments tends to fall. When rates are falling, fixed income securities tend to increase in value. Fixed income securities with longer terms to maturity are generally more sensitive to changes in interest rates. Certain types of fixed income securities permit issuers to repay principal before the security's maturity date. There is a risk that an issuer will exercise this prepayment right after interest rates have fallen and a Fund that holds these fixed income securities will receive payments of principal before the expected maturity date of the security and may need to reinvest these proceeds in securities that have lower interest rates.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company's profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity as described above.

Large Transaction Risk
If a unitholder has significant holdings in a Fund, the Fund is subject to the risk that such large unitholder may request a significant purchase or redemption of units of the Fund, which may impact the cash flow of the Fund. Large purchases and redemptions may result in: (a) the Fund maintaining an abnormally high cash balance; (b) large sales of portfolio securities impacting market value; (c) increased transaction costs (e.g., commissions); (d) significant changes to the composition of the Fund's portfolio; (e) purchase and/or sale of investments at unfavourable prices; and/or (f) capital gains being realized which may increase taxable distributions to investors. If this should occur, the returns of investors (including other mutual funds) that invest in the Fund may be adversely affected.

Legislation Risk
Securities, tax or other regulators make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the value of a mutual fund.

Leverage Risk
When a Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when a Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. The Funds, pursuant to subsection 2.9.1 of NI 81-102, are subject to a gross aggregate exposure limit of 300% of its NAV that is measured on a daily basis and described in further detail within the "Investment Objective" section in Part B of this Simplified Prospectus. Notwithstanding the limit, each Fund intends to maintain typical

aggregate gross exposure to cash borrowing, short selling and specified derivatives transactions within a range between 90% and 200% of its NAV.

Liquidity Risk
A mutual fund may hold up to 15% or more of its NAV in illiquid securities.

A liquid asset is one that can be readily converted to something else, usually cash. For an asset to be liquid, there must be an organized market on which the asset regularly trades, and such an organized market must provide transparent price discovery. A stock exchange is an example of this type of market, because we can see the volume of trading and obtain price quotations.

By comparison, an illiquid asset is more difficult to convert in this manner. There can be a number of reasons that an asset or a security is not liquid. For example, some issuers may be less well known or have fewer securities outstanding. A security or asset can also be considered to be illiquid because the pool of potential buyers is smaller. Sometimes securities are restricted in the sense that re-sales are prohibited by a promise or agreement made by the holder of the securities. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid.

Liquidity risk refers to the possibility that an asset is not able to be sold on an organized market for a price that approximates the amount at which we value the same asset for purposes of calculating the NAV per unit of a Fund. If that were to occur, then the NAV of the units you would redeem may be lower than reasonably anticipated.

Loss of Investment Risk
An investment in a Fund is appropriate only for investors who have the capacity to absorb a loss.

Mandatory Redemption Risk
Units of a Fund may be redeemed by the Manager in its sole discretion. See "*Purchases, Switches and Redemptions – Mandatory Redemptions*".

Market Risk
Market risk is the risk of being invested in the equity and fixed income markets. The market value of a Fund's investments will rise and fall based on specific company developments and broader equity or fixed income market conditions. Market value will also vary with changes in the general economic, political, social and financial conditions in countries where the investments are based.

Modeling Risk
The Portfolio Manager will use proprietary quantitative models in its investment processes. Differences between expected and actual model performance can lead to undesirable outcomes for a Fund. In particular, the historical data that is used as inputs to the models may not be representative of future market conditions, and therefore, may fail to predict future returns, volatilities, correlations or market performance adequately. Unexpected market or other events may cause the models' performance to vary significantly from expectations. The investment process and quantitative models used by the Portfolio Manager rely on code and software developed both by its team and by others outside of the team. The Portfolio Manager expects that coding errors will be made from time to time. These errors may go unidentified and unaddressed for long periods of time. The errors may lead to incorrect trades and positions in the portfolio which could lead to significant losses in a Fund. There can be no assurances that the models will perform as expected.

Multiple Series Risk
Each Fund is available in more than one series of units. Each series has its own fees and expenses, which are tracked separately. The expenses of a series will be deducted in calculating the NAV of that series, thereby reducing the NAV. If one series of Units of a Fund is unable to pay its expenses or liabilities, the assets of the other series of the Fund will be used to pay those expenses and liabilities. As a result, the returns and NAV of the other series of units of the Fund may also be reduced. Please see "*Purchases, Switches, Reclassifications and Redemptions*" and "*Fees and Expenses*" for more information regarding each series and how their NAV is calculated.

Nature of Units Risk
Securities such as the units share certain attributes common to both equity securities and debt instruments. As holders of units, unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The units represent an undivided fractional interest in the applicable Fund. The unitholders will not take part in the management or control of the Fund's business, which is the sole responsibility of Venator. Venator will have wide latitude in making investment decisions. In certain circumstances, Venator also has the right to terminate and dissolve the Fund. The unitholders have certain limited voting rights, including the right to amend the Trust Declaration under certain circumstances, but do not have any authority or power to act for or bind the Fund. Venator may require a unitholder, at any time, to withdraw, in whole or in part, from the Fund.

Performance Fee Risk
To the extent described in this Simplified Prospectus, Venator receives a performance fee in respect of certain series of units based upon the net profits of a series if the Unit Price (as defined below) of such series on the Performance Valuation Date (as defined below) exceeds its Threshold Rate or High Water Mark (as defined below). However, the performance fee theoretically may create an incentive for Venator to make investments that are riskier as a means to obtain a higher yield than would be the case if such fee did not exist.

Portfolio Manager Risk
A mutual fund is dependent on its portfolio manager to select its investments and to decide what proportion of the mutual fund's assets to invest in each security. Mutual funds are subject to the risk that poor security selection or security weight decisions will cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives. There can be no assurance that satisfactory replacements for the Manager will be available, if needed. Removal of the Manager will not terminate a Fund, but will expose investors to the risks involved in whatever new investment management arrangements the replacement advisor is able to negotiate. In addition, the liquidation of positions held for a Fund as a result of the resignation or removal of the Manager may cause substantial losses to the Fund.

Portfolio Turnover Risk
The proportions of investments held in a Fund are adjusted on a relatively frequent basis. In order to do so, a Fund actively trades on a frequent ongoing basis, such that the operation of the Fund may result in a high annual portfolio turnover rate. The amount of leverage that a Fund operates at also exaggerates the portfolio turnover rate of the Fund. No Fund has any limit on the rate of portfolio turnover, and portfolio securities may be sold without regard to the time that they have been held when, in the opinion of the Portfolio Manager, investment considerations warrant such action. The high rate of portfolio turnover of a Fund involves correspondingly greater expenses than a lower turnover rate (e.g., greater transaction costs such as brokerage fees and market impact costs), and a greater chance that a unitholder will receive distributions of income or capital gains from a Fund in a year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Possible Effect of Redemption Risk

Substantial redemptions of units could require a Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Such factors could adversely affect the value of the units redeemed and of the units remaining outstanding.

Potential Conflicts of Interest Risk

Venator is required to satisfy a standard of care in exercising its duties with the Funds. However, neither Venator nor its officers, or employees are required to devote all or any specified portion of their time to their responsibilities relating to the Funds. Certain inherent conflicts of interest arise from the fact that Venator and its affiliates may carry on investment activities for other clients (including investment funds sponsored by Venator and its affiliates) or on a proprietary basis in which the Funds will have no interest. Future investment activities by Venator, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Manager and its affiliates may also engage in the promotion, management or investment management of any other fund or trust or engage in other activities. In addition, officers and employees of Venator may act as partners, directors or officers of other entities that provide services to other investment funds or clients.

The Manager has discretion regarding the selection of the broker-dealers and other intermediaries with and through which a Fund executes and clears portfolio transactions, the commissions and fees payable and the prices at which investments are bought and sold. Some allocations may be based in part on the provision of or payment for other products or services (including but not limited to investment research) to a Fund, Venator or affiliated persons. Such services may not be used for the direct or exclusive benefit of a Fund and may reduce the overhead and administrative expenses otherwise payable.

Potential Indemnification Obligations Risk

Under certain circumstances, a Fund may be subject to significant indemnification obligations in respect of the Manager, any investment advisor or other related parties. The Funds will not carry any insurance to cover such potential obligations and none of the foregoing parties will be insured for losses for which a Fund has agreed to indemnify them. Any indemnification paid by a Fund would reduce the Fund's NAV and, by extension, the value of units.

Prepayment Risk

Many types of debt securities, including some mortgage-backed securities and floating rate debt instruments, allow the issuer to prepay principal prior to maturity. Debt securities subject to prepayment risk can offer less income and/or potential for capital gains.

Regulatory and Legal Risk

Some sectors including, but not limited to, telecommunications, health sciences and financial services, are heavily regulated by governments and in some cases depend on government funding and favourable decisions made by those governments. Investments in such industries may be substantially affected by changes in government policy, regulation or deregulation, ownership restrictions, funding and the imposition of stricter operating conditions. The value of the securities in regulated industries may change substantially based on these factors.

Additionally, securities, tax or other regulatory authorities may amend legislation, rules and/or administrative practice from time to time. These changes (if they were to occur) may have an adverse impact on the value of a Fund.

Repurchase Transactions, Reverse Repurchase Transactions and Securities Lending Risk

A Fund may enter into repurchase transactions, reverse repurchase transactions and securities lending agreements from time to time. In a repurchase transaction, the Fund sells a security at one price to a third party for cash and agrees to buy the same security back from the same party for cash at a set price at a set future date. It is a way for the Fund to borrow short-term cash and earn fees. In a reverse repurchase transaction, the Fund buys a security at one price from a third party and agrees to sell the same security back to the same party at a higher price later on. It is a way for the Fund to earn a profit (or interest) and for the other party to borrow short-term cash. A securities lending agreement is similar to a repurchase agreement, except that instead of selling the security and agreeing to buy it back later, the Fund loans the security to a third party for a fee and can demand the return of the security at any time. While the securities are on loan, the borrower provides the Fund with collateral consisting of a combination of cash and securities.

The principal risks with the types of transactions described above are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus interest, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, the Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

To limit these risks, the Fund must hold collateral with a market value of 105%, but never less than 102%, of the value of the loaned securities and the amount of collateral is adjusted daily to ensure this level is maintained. The collateral may only consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that have been loaned. No Fund will lend more than 50% of the total value of its assets through securities lending or repurchase transactions unless the Fund is permitted a greater amount.

As of the date of this Simplified Prospectus, the Funds have not entered into any repurchase transactions, reverse repurchase transactions or securities lending agreements.

Short Selling Risk

Certain mutual funds are permitted to engage in a limited amount of short selling. A short sale is a transaction in which a mutual fund sells, on the open market, securities that it has borrowed from a lender for this purpose. At a later date, the mutual fund purchases identical securities on the open market and returns them to the lender. In the interim, the mutual fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan. Each Fund is permitted to sell securities short up to a maximum of 50% of its NAV as described in further detail within the "Investment Objective" section in Part B of this Simplified Prospectus. Short selling involves certain risks including the following:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- A Fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require the Fund to return borrowed securities at any time. This may require a Fund to purchase such securities on the open market at an inopportune time.
- The lender from whom a Fund has borrowed securities, or the prime broker that facilitates short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker.

Small Company Risk
Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

Suspension of Redemptions Risk
Under exceptional circumstances and in accordance with the Declaration of Trust and applicable securities laws, a Fund may suspend redemptions. See "*How to Redeem Units of the Fund – Redemption suspensions*".

Suspension of Trading Risk
Securities exchanges typically have the right to suspend or limit trading in any instrument traded on the exchange. A suspension may render it impossible to liquidate positions and could thereby expose a Fund to losses.

Taxation of the Fund Risk
Under special rules contained in the *Income Tax Act* (Canada) (the "**Tax Act**"), trusts that constitute "SIFT trusts" (as defined in the Tax Act) will generally be precluded from deducting certain amounts that would otherwise be deducted for tax purposes if they were paid or became payable to unitholders in a particular taxation year. If a Fund were found to be a "SIFT trust", the amounts available to be distributed by the Fund to its unitholders could be materially reduced.

If a Fund ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Income Tax Considerations for Investors" would be materially and adversely different in certain respects. More generally, there can be no assurance that income tax laws and the treatment of the Funds will not be changed in a manner that adversely affects unitholders and such Fund.

Trust Loss Restriction Rule Risk
A Fund may be subject to loss restriction rules (the "**Loss Restriction Rules**") contained in the Tax Act unless the Fund qualifies as an "investment fund" as defined in the Tax Act, which, among other things, requires that certain investment diversification restrictions are met, and that unitholders hold only fixed (and not discretionary) interests in the Fund. If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund's net income and net realized capital gains at such time to unitholders so that the Fund is not liable for income tax under Part I of the Tax Act on such amounts), and (ii) the Fund's ability to carry forward losses will be restricted. Generally, a Fund will have a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the Tax Act.

Use of a Prime Broker to Hold Assets Risk
Some or all of the Funds' assets may be held in one or more margin accounts. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The prime broker may also lend, pledge or hypothecate the Funds' assets in such accounts, which may result in a potential loss of such assets. As a result, the Funds' assets could be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, a Fund may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded.

U.S. Foreign Account Tax Compliance Act and International Tax Reporting Risk
In March 2010, the U.S. enacted the Foreign Account Tax Compliance Act ("**FATCA**"), which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an Intergovernmental Agreement ("**IGA**") which establishes a framework for cooperation and information sharing between the two countries and may provide relief from a 30% U.S. withholding tax under U.S. tax law (the "**FATCA Tax**") for Canadian entities such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Funds will endeavor to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, unitholders of the Funds are required to provide identity and residency for tax purposes and other information to the Funds (and may be subject to penalties for failing to do so), which, in the case of Specified U.S. Persons or certain non-U.S. entities controlled by Specified U.S. Persons, such information and certain financial information (for example, account balances) will be provided by the Funds to the Canada Revenue Agency (the "**CRA**") and from the CRA to the U.S. Internal Revenue Service ("**IRS**"). However, the Funds may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Funds are otherwise unable to comply with any relevant and applicable U.S. legislation. Any such FATCA Tax in respect of a Fund would reduce the Fund's distributable cash flow and NAV.

In addition to FATCA, the Funds may also be subject to other similar legislation, regulations or guidance enacted in other jurisdictions, in addition to the United States, which seek to implement similar financial account information reporting and/or withholding tax regimes, including, for example, *the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard* and any associated guidance, intergovernmental agreement, or regulation (collectively referred to as "**International Information Reporting**"), which would generally require the Funds to have procedures in place to identify investments held by residents of countries other than Canada or the United States or by certain entities, the "*controlling persons*" of which are resident in those countries.

Valuation of the Fund's Investments Risk
While each Fund is independently audited by its auditors on an annual basis in order to ensure as fair and accurate a pricing as possible, valuation of the Fund's securities and other investments may involve uncertainties and subjective determinations and, if such valuations should prove to be incorrect, the NAV could be adversely affected. Independent pricing information may not at times be available regarding certain of the Fund's securities and other investments. Valuation determinations will be made in good faith in accordance with the Declaration of Trust.

A Fund may have some of its assets in investments which by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Fund to any such investment differs from the actual value, the Unit Price may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that a unitholder who redeems all or part of its units while the Fund holds such investments will be paid an amount less than such unitholder would otherwise be paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that such unitholder might, in effect, be overpaid if the actual value of such investments is lower than the value designated by the Fund. In addition, there is risk that an investment in the Fund by a new unitholder (or an additional investment by an existing unitholder) could dilute the value of such investments for the other unitholders if the designated value of such investments is higher than the value designated by the Fund. Further, there is risk that a new unitholder (or an existing unitholder that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Fund. The Funds do not intend to adjust the NAV retroactively.

Natural Disasters, Civil Unrest, Terrorist Attacks and Public Health Crises Risk
Certain extreme events, such as natural disasters, war, civil unrest, terrorist attacks, and public health crises like epidemics, pandemics or outbreaks of new infectious diseases or viruses (including, most recently, the novel coronavirus (COVID-19)) can materially adversely affect a Fund's business, financial condition, liquidity or results of operations. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. To date the COVID-19 pandemic has resulted in a slowdown in economic activity, higher unemployment, reduced consumer activity, extreme volatility in financial markets and commodity prices, and a global recession. Governmental responses to COVID-19 have led to significant restrictions on travel, temporary business closures, quarantines, globally. Public health crises, such as the COVID-19 outbreak, can also result in operating, supply chain and project development delays that can materially adversely affect the operations of third parties in which a Fund has an interest. The duration of any business disruptions and related financial impact of the COVID-19 outbreak is unknown. It is difficult to predict how a Fund may be affected if a pandemic, such as the COVID-19 outbreak, persists for an extended period of time. Similarly, the effects of terrorist acts (or threats thereof), military action or similar unexpected disruptive events on the economies and securities markets of countries cannot be predicted. Natural disasters, war and civil unrest can also have materially adverse impacts on economic enterprises in the impacted countries. All such extreme events may impact Fund performance..

In addition, there can be no assurance that applicable laws, or other legislation, legal and statutory rights will not be changed in a manner that adversely affects the Funds or their unitholders. There can be no assurance that income tax, securities, and other laws or the interpretation and application of such laws by courts or government authorities will not be changed in a manner that adversely affects the distributions received by the Funds or by their unitholders.

ORGANIZATION AND MANAGEMENT OF THE FUNDS

Manager Venator Capital Management Ltd 2 Bloor Street West, Suite 901 Toronto, Ontario M4W 3E2	The Manager is a corporation incorporated under the laws of Ontario, with its office in Toronto, Ontario. As Manager, we manage the overall business and operations of the Funds, including such matters as administration services and fund accounting.
Trustee Venator Capital Management Ltd. Toronto, Ontario	Each Fund is organized as a unit trust. When you invest in a Fund, you are buying units of the trust. The Trustee holds the actual title to the cash and securities owned by the applicable Fund on your behalf.
Portfolio Manager Venator Capital Management Ltd. Toronto, Ontario	As Portfolio Manager, we are responsible for portfolio management and advisory services for the Funds and make the purchase and sale decisions for securities in the Funds' portfolios.
Custodian The Bank of Nova Scotia Toronto, Ontario	The Custodian has custody of the Funds' property.
Administrator and Registrar SGGG Fund Services Inc. Toronto, Ontario	The Administrator provides administrative services to the Funds, including maintaining the accounting records of the Funds, fund valuation and NAV calculation and financial reporting services. The Registrar keeps track of the owners of units of the Funds, processes purchases, reclassification and redemption orders, maintains the unit register, issues investor account statements

and trade confirmations and issues annual tax reporting information. The Manager continues to be responsible for the services provided by the Administrator.

Auditors KPMG LLP Chartered Professional Accountants Licensed Public Accountants Toronto, Ontario	The Auditor is responsible for auditing the annual financial statements of the Funds. The auditors are independent of the Manager. The principal office of KPMG LLP is located in Toronto, Ontario.
Independent Review Committee	The Independent Review Committee (the "**IRC**") will provide independent oversight of conflict of interest matters that may arise between Venator and the Funds. Among other things, the IRC prepares an annual report of its activities for unitholders of the Funds which will be available on our website at www.venator.ca or upon request by any unitholder, at no cost, by calling 416-934-7994 or emailing info@venator.ca. The members of the IRC are Andrew Gordon (Chair), James Merkur and William J. Logie. The members of the IRC are independent of Venator. Additional information concerning the IRC is available under the heading "Independent Review Committee" in the Funds' Annual Information Form.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS

Description of Units

The Funds are permitted to issue an unlimited number of series of units and an unlimited number of units of each series. The Funds have designated Series A units, Series F units, and Series I units.

The series are subject to their respective minimum investment requirements, as detailed below under "Purchases".

In addition to the minimum investment requirements, the following describes the suggested series suitability (your financial advisor can best assist you with determining the right series for you) and any further series eligibility requirements you must meet to qualify to purchase the series.

- *Series A units:* Available to all investors.
- *Series F units:* Available to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of Venator, any other investor for whom Venator does not incur distribution costs.
- *Series I units:* Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of Venator. Also available to certain of our employees and employees of affiliated entities and, at our discretion, to relatives of current employees.

If you cease to satisfy criteria for holding units of a particular series, Venator may reclassify your units as such number of units of another series of the applicable Fund that you are eligible to hold having an aggregate equivalent NAV.

Exemptions from NI-81-102

The Funds have obtained certain exemptions from NI 81-102 regarding purchase and redemption processing frequency. See *Exemptions from NI 81-102* above.

Fund Eligibility Requirements

Generally, investors are only permitted to purchase units of the Funds if their IIROC-registered dealer has entered into an agreement with us authorizing the dealer to sell such units of the Funds.

Units may also be offered on a "private placement" basis in reliance upon exemptions from the prospectus requirements of applicable securities laws.

How We Price the Funds' Units

The Fund's NAV is calculated at the close of regular trading, normally 4:00 p.m. (Toronto Time), on a day the Toronto Stock Exchange ("**TSX**") is open (a "**Valuation Date**").

Each Fund's units are divided into the Series A units, Series F units and Series I units. Each series is divided into units of equal value. When you invest in a Fund, you are purchasing units of a specific series of such Fund.

The NAV of each Fund will be calculated in Canadian dollars.

A separate NAV per unit is calculated for each series of units (the "**Unit Price**"). The Unit Price is the price used for all purchases, switches, reclassifications and redemptions of units of that series (including purchases made on the reinvestment of distributions). The price at which units are issued or redeemed is based on the next applicable Unit Price determined after the receipt of the purchase or redemption order.

The Unit Price of each series of a Fund is calculated as follows:

- We take the fair value of all the investments and other assets allocated to the series.
- We then subtract the liabilities allocated to that series. This gives us the NAV for the series.
- We divide this amount by the total number of units of the series owned by investors.
- That gives us the Unit Price for the series.

Although the purchases and redemptions of units are recorded on a series basis, the assets attributable to all of the series of a Fund are pooled to create one fund for investment purposes.

Each series pays its proportionate share of fund costs in addition to its management fee and performance fee. The difference in fund costs, management fees and performance fees between each series means that each series has a different Unit Price.

Any purchase or reclassification instruction received after 4:00 p.m. (Toronto Time) on the last Valuation Date of a weekly period will be processed on the last Valuation Date of the semi-monthly period.

As Manager, we are responsible for determining the NAV of the Funds. However, we may delegate some or all of the responsibility in relation to such determination to the Administrator.

To obtain the NAV of the Funds or the Unit Price of a series of the Funds, at no cost, send an email to info@venator.ca, visit Venator's website at www.venator.ca, call 416-934-7994.

Purchases

You may purchase any series of units of a Fund through an IIROC registered dealer that has entered into a distribution agreement with us to sell the Fund. See "*Description of Units*" for a description of each series of units offered by the Funds. The issue price of units is based on the Unit Price for that particular series. Units may be offered on a "private placement" basis in reliance upon exemptions from the prospectus requirements of applicable securities laws.

The minimum initial investment in Series A units and Series F units of a Fund is $2,000, while the minimum initial investment in Series I units is $5,000,000. The minimum subsequent investment in a Fund is $500.

Units of the Funds may be purchased as follows:

Fund	**Purchase Processing Frequency**
Venator Alternative Income Fund	Weekly
Venator Founders Alternative Fund	Weekly

If we receive your purchase order before 4:00 p.m. (Toronto time) on the last Valuation Date of the applicable weekly purchase period, we will process your order at the Unit Price calculated as at the last Valuation Date of that period. A purchase order which is received and accepted by the Manager after 4:00 p.m. (Toronto time) on the last Valuation Date of the applicable purchase period will be calculated on the last Valuation Date of the following purchase period.

Please contact your Dealer to find out how to place an order. Please note that dealers may establish cut-off times for receiving purchase orders so that they may be properly processed prior to the 4:00 p.m. (Toronto Time) deadline on the applicable last Valuation Date of a purchase period. When you submit money with a purchase order, the money will be held in our trust account and any interest the money earns before it is invested in a Fund is credited to the applicable Fund, not to your account.

We must receive the appropriate documentation and payment in full within two business days of receiving your purchase order in order to process a purchase order. If the applicable Fund does not receive payment in full within the required time, we will sell the units that you bought. If we sell them for more than you paid, the applicable Fund will keep the difference. If we sell them for less than you paid, we will bill you for the difference plus any costs or interest. We do not issue certificates when you purchase a Fund. We are entitled to reject any purchase order, but we can only do so within one business day of receiving it. If we reject an order, we will return immediately to your Dealer any monies we have received from you in connection with that order.

At Venator's sole discretion, a Fund may suspend new subscriptions of the Fund units.

These minimum investment amounts may be adjusted or waived in the discretion of Venator.

Please see "*Fees and Expenses*" and "*Dealer Compensation*" for more information on the fees and expenses and dealer compensation applicable to each series.

Redemptions

Units of the Funds may be redeemed as follows:

Fund	Redemption Processing Frequency	Required Notice Period
Venator Alternative Income Fund	Weekly	at least 5 business days prior to a Redemption Date
Venator Founders Alternative Fund	Weekly	at least 5 business days prior to a Redemption Date

You are entitled, by making a request to us through an authorized dealer, to redeem all or any part of the units registered in your name on the last business day of the applicable weekly redemption period (such date being a "**Redemption Date**"). We may require that an investor's signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to our satisfaction.

Redemption orders for a Redemption Date must be received by 5:00 p.m. (Toronto time) on a date that is at least five (5) business days prior to a Redemption Date in order for a unit to be redeemed on such Redemption Date (the "**Redemption Notice Period**"). A unitholder who properly surrenders a unit for redemption will receive the Unit Price calculated on the Redemption Date. The Unit Price will be paid on or before the 10th business day following the Redemption Date (the "**Redemption Payment Date**").

A redemption order that is not received by us during that Redemption Notice Period or that is otherwise incomplete, not in proper form or not duly executed shall, for all purposes, be void and of no effect and the redemption privilege to which it relates shall be considered, for all purposes, not to have been exercised thereby.

Under extraordinary circumstances, the rights of investors to redeem units of a Fund may be suspended. This would most likely occur if normal trading is suspended on any stock exchange or quotation service, within or outside Canada, where a material part of a Fund's investment portfolio is listed or quoted, or underlying market exposure, of the total assets of the Fund (without any allowance for liabilities) and if the assets of the Fund cannot be traded in any other market that represents a reasonably practical alternative for the Fund. The Manager may also suspend the redemption of units of a Fund with the consent of any securities commission or regulatory body having jurisdiction.

The Trustee shall be entitled, at any time and from time to time, at its sole and absolute discretion, to compulsorily redeem or cause to be redeemed all or any part of the units held by any unitholder, on such terms and conditions as the Trustee may, from time to time, determine, at its sole and absolute discretion, at the Unit Price of such series of units less, in the discretion of the Trustee, any redemption charge or other fee as provided for in the Declaration of Trust.

There are no redemption fees for a Fund, except as described under "*Short-Term Trading Fee*".

Switches

Switches between Funds are not permitted.

Reclassifications between Series of a Fund

You may reclassify all or part of your investment from one series of units to another series of units of the same Fund, as long as you are eligible to hold that series of units. This is called a reclassification.

Units of the Funds may be reclassified as follows:

Fund	Reclassification Processing Frequency	Required Notice Period
Venator Alternative Income Fund	Weekly	at least 5 business days prior to a Redemption Date
Venator Founders Alternative Fund	Weekly	at least 5 business days prior to a Redemption Date

If we receive your reclassification order by 4:00 p.m. (Toronto Time) on the last business day of the applicable weekly period, we will process your order at the Unit Price calculated as of the Valuation Date that is the last business day of the applicable weekly period. Otherwise, we will process your order at the Unit Price calculated as of the Valuation Date that is the last business day of the following applicable weekly period.

You may have to pay a fee to your Dealer to effect such a reclassification. You negotiate the fee with your investment professional. See "*Fees and Expenses*" for details.

The value of your investment, less any fees, will be the same immediately after the reclassification. You may, however, own a different number of units because each series may have a different Unit Price. A reclassification of one series of units of a Fund to another series of units of the same Fund should not generally be considered to give rise to a taxable disposition for the purposes of the Tax Act. See "*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan.*"

SHORT-TERM TRADING

An investment in a Fund is intended to be a medium- to long-term investment. Redeeming units of a Fund within 90 days after they were purchased, which is referred to as short-term trading, can have an adverse effect on the Funds. Such trading can increase brokerage and other administrative costs of the Funds to the extent a Fund sells portfolio securities in response to each redemption request. Short-term trading can interfere with the long-term investment decisions of the Manager and may cause a Fund to carry an excessively high cash balance and/or result in a high portfolio turnover, both of which may reduce the Fund's total returns.

In order to protect the interest of unitholders of the Funds and to discourage inappropriate short-term trading in a Fund, we have adopted certain restrictions to deter short-term trading. See "*Fees and Expenses – Fees and Expenses Payable Directly by You – Short-Term Trading Fee*". For example, if a unitholder redeems units of a Fund within 90 days of purchase, the unitholder may be subject to a short-term trading fee of 2% of the amount redeemed. This fee will reduce the amount otherwise payable to the unitholder on the redemption.

The short-term trading fees will not apply in the case of certain redemptions including:

- those initiated by the Manager (including as part of a fund reorganization or merger) or by the Funds or another investment fund or by a segregated fund or another investment product which has been approved by the Manager;
- those relating to units received on the reinvestment of distributions; and
- in the absolute discretion of the Manager.

Despite these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated. We may reassess what is adverse short-term trading in a Fund at any time and may charge or exempt transactions from these fees in our sole discretion.

OPTIONAL SERVICES

Registered Plans

You can open certain registered plans through your Dealer. The following plans are eligible to invest in the Funds (collectively referred to as "registered plans"):

- registered retirement savings plans ("RRSPs"), including
    - locked-in retirement accounts ("LIRAs"),
    - locked-in retirement savings plans ("LRSPs"),
    - restricted locked-in savings plans ("RLSPs"),
- registered retirement income funds ("RRIFs"), including
    - life income funds ("LIFs"),
    - locked-in retirement income funds ("LRIFs"),
    - prescribed retirement income funds ("PRIFs"),
    - restricted life income funds ("RLIFs"),
- tax-free savings accounts ("TFSAs"),
- registered education savings plans ("RESPs"),
- registered disability savings plans ("RDSPs"), and
- deferred profit-sharing plans ("DPSPs").

Please see "*Fund Eligibility Requirements*" for more information.

FEES AND EXPENSES

The table below lists the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. The Funds may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds.

Fees and Expense Payable by the Funds	
Management Fees	The Manager receives a management fee payable by the Funds for providing its services to the Funds. The management fee varies for each series of units. The management fee is calculated and accrued daily based on the NAV of the series of units of the applicable Fund, plus applicable taxes, payable on the last day of each calendar month. As shown below, the annual management fee varies by series. You should make a specific request through your Dealer to purchase any applicable lower-fee series you may be eligible to purchase, or to re-classify your existing units to any applicable lower-fee series you may be eligible to purchase. ▪ Series A units: 2.0% per annum

- Series F units: 1.0% per annum
- Series I units: Negotiated by the investor and paid directly by the investor. The management fee will not exceed the management fee payable on Series A units of the Fund.

The management fees for Series I units of the Funds are negotiated by you and payable directly to us. Our employees may be charged no fees or fees that are lower than those available to other investors.

Performance Fee

If the Venator Alternative Income Fund generates a net profit (after payment of all other fees and expenses), the Manager will receive a performance fee in respect of each series of units of the Fund on each Performance Valuation Date based on the amount by which the NAV of a unit of each series on the Valuation Date exceeds an annualized current year return of 5% over the series High Water Mark (the "**Threshold Rate**"). High Water Mark means the highest NAV of a unit of such series on any Performance Valuation Date, as adjusted for any distributions declared on such unit from the date of such NAV to the last Valuation Date in the previous calendar year ("**Adjusted NAV per Unit**"). The calculation of the NAV of a unit of a series will therefore exclude the effect of any distribution on units of such series.

The Performance Valuation Date means the last Valuation Date in each calendar year.

In any period in which the performance fee is payable and the NAV per unit of a series exceeds the High Water Mark, unitholders of such series will be entitled to, with respect to each unit held of such series, (i) all of the increase in the Adjusted NAV per Unit up to the Threshold Rate and (ii) 90% of any increase in Adjusted NAV per Unit in excess of the Threshold Rate plus 0.5%. The Manager will be entitled to (i) all of the increase in Adjusted NAV per Unit between the Threshold Rate and the Threshold Rate plus 0.5%, and (ii) 10% of any gains in excess of the Threshold Rate plus 0.5%. For example, for all units on an annualized basis, the return will be allocated such that any return above the High Water Mark from (i) 0.001% to 5% will be accrued to the unitholders' benefit; (ii) 5.001% to 5.5% will be accrued to the benefit of the Manager in the form of a performance fee; and (iii) above 5.5% will be accrued 90% to the benefit of the unitholders and 10% to the Manager as a performance fee.

The performance fee will be accrued for each series of units on a weekly basis with any such accrued performance fee payable to the Manager on the Performance Valuation Date. The Manager shall be entitled to receive a performance fee in respect of units redeemed as if the Redemption Date were a Performance Valuation Date, such performance fee to be paid on or before the 10th business day following the Performance Valuation Date or Redemption Date, as the case may be. Performance fees are subject to applicable taxes including HST.

Investors in Series I units may negotiate a different performance fee than the one described, which will not exceed the performance fee payable on Series A units or Series F units of the Fund.

If the Venator Founders Alternative Fund generates a net profit (after payment of all other fees and expenses), the Manager will receive a performance fee in respect of each series of units of the Fund on each Performance Valuation Date based on the amount by which the NAV of a unit of each series on the Valuation Date exceeds the series High Water Mark. High Water Mark means the highest NAV of a unit of such series on any Performance Valuation Date, as adjusted for any distributions declared on such unit from the date of such NAV to the last Valuation Date in the previous calendar year ("**Adjusted NAV per Unit**"). The calculation of the NAV of a unit of a series will therefore exclude the effect of any distribution on units of such series.

The Performance Valuation Date means the last Valuation Date in each calendar year.

In any period in which the performance fee is payable and the NAV per unit of a series exceeds the High Water Mark, unitholders of such series will be entitled to, with respect to each unit held of such series, 80% of any increase in Adjusted NAV per Unit in excess of the High Water Mark. The Manager will be entitled to 20% of any gains in excess of the High Water Mark.

The performance fee will be accrued for each series of units on a weekly basis with any such accrued performance fee payable to the Manager on the Performance Valuation Date. The Manager shall be entitled to receive a performance fee in respect of units redeemed as if the Redemption Date were a Performance Valuation Date, such performance fee to be paid on or before the 10th business day following the Performance Valuation Date or Redemption Date, as the case may be. Performance fees are subject to applicable taxes including HST.

Investors in Series I units may negotiate a different performance fee than the one described, which will not exceed the performance fee payable on Series A units or Series F units of the Fund.

Operating Expenses

The Funds pay their own operating expenses. Operating expenses include, but are not limited to, brokerage commissions and fees (if applicable), taxes, audit and legal fees, fees of the members of the IRC, costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts. Operating expenses and other costs of the Funds are subject to applicable taxes including HST.

The Funds also pay a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chair, is paid, as compensation for their services, $5,000 per annum. The Chair is paid $7,000 per annum.

Management expense ratios ("**MERs**") are calculated separately for each series of units of the Funds and include that series' management fees and/or operating expenses.

The Funds also pay their own brokerage commissions for portfolio transactions and related transaction fees. These expenses are not included in the applicable Fund's MER but are, for tax purposes, added to the cost base or subtracted from the sale proceeds of its portfolio investments. These expenses constitute part of the applicable Fund's trading expense ratio ("**TER**"). Both the MER and the TER are disclosed in the Funds' annual and semi-annual Management Report of Fund Performance.

Fees and Expenses Payable Directly by You

Series I Units Management Fees and Performance Fees	Holders of Series I units pay, directly to Venator, a negotiated management fee based on the NAV of the Series I units of the Fund you own, which will not exceed a management fee rate of 2.0%. This fee will be set out in an agreement between you and Venator. Holders of Series I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder that is different than, but will not exceed, the performance fee payable on Series A units or Series F units of the applicable Fund. The performance fee for Series I units will be paid directly to Venator.
Sales Commissions	Your Dealer may charge you a sales commission of up to 5% based on the NAV of Series A units you acquire. You may negotiate the amount with your Dealer. There are no sales commissions for Series F units and Series I units.
Reclassification Fee	Your Dealer may charge you a reclassification fee of up to 2% based on the NAV of the applicable series of units of the Fund you reclassify. You may negotiate the amount with your Dealer. Dealers' fees for reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*" section of this Simplified Prospectus.
Redemption Fee	The Funds do not charge a redemption fee. However, a Fund may charge a short-term trading fee if you redeem your units within 90 days of purchasing them.
Short-Term Trading Fee	A fee of 2% of the amount redeemed may be charged if you redeem your units of a Fund within 90 days of purchasing such units. The short-term trading fee will be paid directly from your redemption proceeds and is designed to deter short-term trading and offset its associated costs. At the

Manager's discretion, the short-term trading fee will not apply in certain redemptions, such as:

- those initiated by the Manager (including as part of a Fund reorganization or merger) or by the Funds or another investment fund or another investment product which has been approved by the Manager;
- those relating to units received on the reinvestment of distributions; and,
- in the absolute discretion of the Manager.

Registered Tax Plan Fee Your Dealer may charge you a fee for this service. You may negotiate the amount.

IMPACT OF SALES COMMISSIONS

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

Sales commissions may apply when you purchase Series A units of a Fund. The sales commissions may be negotiated between you and the Dealer. There are no sales commissions payable on Series F units or Series I units of a Fund.

	Sales Charge at Time of Purchase	Redemption Fee Before End of:			
		1 Year[1]	3 Years	5 Years	10 Years
Series A	Up to $50	Nil	Nil	Nil	Nil
Series F	Nil	Nil	Nil	Nil	Nil
Series I	Nil	Nil	Nil	Nil	Nil

[1] There is no redemption fee. However, a short-term trading fee may apply only if you redeem your units within 90 days of purchasing them.

DEALER COMPENSATION

Your Dealer may receive three types of compensation – sales commissions, trailing commissions and reclassification fees.

Sales Commissions – You pay this commission to your Dealer at the time of purchase of Series A units of a Fund. The maximum sales commission you may pay is 5% based on the NAV of the applicable series of units of the Fund you acquire. You may negotiate this amount with your Dealer. There are no sales commissions payable to your Dealer for Series F units and Series I units of a Fund. Please see "*Purchases, Switches, Reclassifications and Redemptions"* section of this Simplified Prospectus for further details.

Trailing Commissions – For Series A units of a Fund, we pay dealers an ongoing annual service fee known as a "trailing commission," based on the total value of Series A units held in your account with the dealer. There are no trailing commissions paid on Series F units and Series I units of a Fund. The trailing commissions are paid quarterly at a current annual rate of up to 1.00% of the value of the Series A units held by clients of the Dealer.

Reclassification Fee – You may pay the reclassification fee to your Dealer at the time of reclassifying from one series of units to another series of units in a Fund. The maximum reclassification fee you may pay is 2% based on the NAV of the applicable series of units of the Fund being reclassified. You may negotiate this amount with your Dealer. Dealers' fees for reclassifications are paid by redeeming units held by you. See "*Income Tax Considerations for Investors – Taxation of Unitholders – Units Not Held in a Registered Plan*" section of this Simplified Prospectus.

Dealer Compensation from Management Fees

We may provide a broad range of marketing support programs to dealers which include research materials on the Funds and pre-approved advertising copy relating to the Funds. We may also provide advertising programs for the Funds which may indirectly benefit your Dealer, and in some cases, may share with your Dealer the cost of local advertising and marketing activities (including investor conferences and seminars). The cost sharing is on a case-by-case basis and will not exceed 50% of the total direct costs incurred by your Dealer. We may reimburse dealers for the registration fees of financial advisors attending certain conferences, seminars and courses organized and presented by third parties. We also may reimburse dealers and certain industry associations for up to 10% of the total direct costs they incur for other kinds of conferences, seminars and courses they organize and present. We may organize and present, at our expense, educational conferences and seminars for financial advisors and provide to financial advisors nonmonetary benefits of a promotional nature and of minimal value.

It is important for you to know that all of the amounts described above are paid by us, not the Funds, and only in accordance with the policies and the rules set out in National Instrument 81-105 *Mutual Fund Sales Practices*.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The following is a general summary, at the time of filing, of certain of the principal Canadian federal income tax considerations generally applicable to you as an investor in units of a Fund offered under this Simplified Prospectus. This summary assumes you are an individual (other than a trust) who, for purposes of the Tax Act, (i) is a resident of Canada, (ii) deals at arm's length and is not affiliated with the applicable Fund, and (iii) holds units as capital property.

Provided that the applicable Fund qualifies as a "mutual fund trust" for the purposes of the Tax Act at all material times, certain unitholders who might not otherwise be considered to hold units as capital property may, in certain circumstances, be entitled to have such units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election available pursuant to subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, an understanding of the current published administrative and assessing practices of the CRA and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (such proposals referred to hereafter as the "**Tax Proposals**"). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations. However, there can be no assurance that the Tax Proposals will be enacted in the form publicly announced or at all.

This summary assumes that none of the issuers of securities held by a Fund will be a foreign affiliate of the Fund or any unitholder of the Fund, or a non-resident trust that is not an "exempt foreign trust" as defined in section 94 of the Tax Act, and that none of the securities held by a Fund will be a "tax shelter investment" within the meaning of the Tax Act. This summary also assumes that a Fund will not be (i) a "SIFT trust" for the purposes of the Tax Act, (ii) a "financial institution" for purposes of the Tax Act, or (iii) required to include any amounts in income pursuant to section 94.1 or section 94.2 of the Tax Act.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to you in respect of an investment in units of a Fund and does not describe the income tax consequences relating to the deductibility of interest on money borrowed to acquire units. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Accordingly, you are urged to consult with your own tax advisors for advice with respect to the income tax consequences of an investment in units, based on your particular circumstances.

Tax Status of the Funds

This summary is based on the assumptions that (i) each Fund will qualify, at all times, as a "mutual fund trust" within the meaning of the Tax Act, and (ii) the Funds will not be maintained primarily for the benefit of non-residents.

In order to continue to qualify as a "mutual fund trust", a Fund must, among other things, comply on a continuous basis with certain minimum requirements respecting the ownership and dispersal of units. If the Fund does not qualify as a "mutual fund trust" at all times, the income tax considerations described below could be materially and adversely different.

Provided that a Fund qualifies as a "mutual fund trust" for purposes of the Tax Act, units of the Fund will be "qualified investments" under the Tax Act for Registered Plans.

Taxation of the Funds

In each taxation year, a Fund will be subject to tax under Part I of the Tax Act on its net income, including the taxable portion of any net capital gains, if any, that is not paid or made payable to unitholders in that year. Provided the Fund distributes all of its net taxable income and its net capital gains to its unitholders on an annual basis, it should not be liable for any income tax under Part I of the Tax Act.

A Fund is required to include, in computing its income for each taxation year, the taxable portion of any net capital gains, any dividends received (or deemed to be received) by it in that taxation year and all interest that accrues to it during the year, or which becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. Distributions and allocations of certain income and capital gains from "SIFT trusts" and "SIFT partnerships" (as defined in the Tax Act) received by a Fund will be treated as dividends paid from taxable Canadian corporations. In computing its income, a Fund will take into account any loss carry-forwards, any capital gains refund and all deductible expenses, including management fees.

A Fund will be entitled for each taxation year throughout which it is a mutual fund trust to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemption of its Units during the year ("**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the tax liability of the Fund for such taxation year which may arise upon the sale or other dispositions of investments in the Fund in connection with the redemption of Units.

Gains and losses realized by a Fund on the disposition of securities will generally be reported as capital gains and capital losses. Each Fund will elect under subsection 39(4) of the Tax Act so that all gains or losses realized on the disposition of securities that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital gains or losses to the Fund. Generally, gains and losses realized by the Fund from derivative securities and in respect of short sales of securities (other than Canadian securities) will be treated as income and losses of the Fund, except where a derivative is used to hedge securities held on capital account provided there is sufficient linkage and subject to the detailed rules in the Tax Act. Whether gains or losses realized by a Fund in respect of a particular security (other than a Canadian security) are on income or capital account will depend largely on factual considerations.

A Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized by the Fund on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Fund, or a person affiliated with the Fund, acquires a property (a "**substituted property**") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Fund, or a person affiliated with the Fund, owns the substituted property 30 days after the original disposition. If a loss is suspended, the Fund cannot deduct the loss from the Fund's capital gains until the substituted property is sold and is not reacquired by the Fund, or a person affiliated to the Fund, within 30 days before and after the sale.

In computing its income for tax purposes, a Fund may deduct reasonable administrative and other expenses incurred to earn income, including interest on any loan entered into by the Fund generally to the extent borrowed funds are used to purchase portfolio securities. Losses incurred by a Fund in a taxation year cannot be allocated to unitholders, but may be deducted by the Fund in future years in accordance with the Tax Act.

A Fund's portfolio may include securities which are not denominated in Canadian dollars. The cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars at the exchange rate prevailing at the time of the transaction, as more particularly determined in accordance with section 261 of the Tax Act. Accordingly, the Fund may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

A Fund may derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent such foreign tax paid by the Fund exceeds 15% of the amount included in the Fund's income from such investments, such excess may generally be deducted by the Fund in computing its income for purposes of the Tax Act, subject to the detailed provisions of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of such foreign source income and has not been deducted in computing the Fund's income, the Fund may generally designate a portion of its foreign source income in respect of its unitholders so that such income, and a portion of the foreign tax paid by the Fund, may be regarded as foreign source income of, and foreign tax paid by, the unitholders for the purposes of the foreign tax credit provisions of the Tax Act.

Taxation of Unitholders

Units Held in a Registered Plan

The units of the Funds are expected to be qualified investments for, and may be held in, a TFSA, RRSP, RRIF, RESP, RDSP or DPSP (each, a "**Registered Plan**" and collectively, "**Registered Plans**"). If you hold units of a Fund in a Registered Plan, distributions from the Fund and capital gains from a redemption (or other disposition) of units in respect of the Registered Plan are generally not subject to tax under the Tax Act until withdrawals are made from the Registered Plan (however, withdrawals from a TFSA are generally not subject to tax).

Notwithstanding the foregoing, if the units of a Fund are “prohibited investments” (as defined in the Tax Act) for your Registered Plan (other than a DPSP), you—as the holder of the TFSA or the RDSP, the annuitant under the RRSP or RRIF, or the subscriber of the RESP, as the case may be— may be subject to a penalty tax as set out in the Tax Act. The units of a Fund will be a “prohibited investment” for your Registered Plan (other than a DPSP), if you (i) do not deal at arm’s length with the Fund for purposes of the Tax Act, or (ii) have a “significant interest”, as defined in the Tax Act, in the Fund. Generally, you will not have a significant interest in the Fund unless you own interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which you do not deal at arm’s length. In addition, your units will not be a “prohibited investment” if such units are “excluded property” as defined in the Tax Act for the Registered Plan.

You should consult with your own tax advisors to determine whether units of a Fund would be a “prohibited investment” for your Registered Plan, based on your particular circumstances. Further, if you hold units of a Fund in a Registered Plan, you should consult your own tax advisor before deciding to exercise the redemption rights attached to the units of the Fund, as non-cash assets that may be received in payment for any such redemption may not be qualified investments for Registered Plans.

Units Not Held in a Registered Plan

If you hold units of a Fund outside a Registered Plan, you will generally be required to include in computing your income for a taxation year the portion of the net income of the Fund, including the taxable portion of any capital gains, if any, paid (or payable) to you by the Fund in that taxation year, whether such amounts are paid in cash or automatically reinvested in additional units.

Generally, any distributions to you in excess of your share of the net income and net capital gains of the Fund in a taxation year are a return of capital and will not be taxable to you, but will reduce the adjusted cost base of your units. To the extent that the adjusted cost base of your units would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by you and your adjusted cost base will be nil immediately thereafter. The non-taxable portion of any net capital gains of the Fund that is distributed to you will not be taxable and will not reduce the adjusted cost base of your units provided the appropriate designations are made by the Fund.

The higher the portfolio turnover rate of the Fund in a year, the greater the chance that an amount will be declared payable or paid in respect of your units of the Fund prior to the end of the year. However, there is not necessarily a relationship between a high turnover rate of the Fund’s portfolio and the performance of the Fund.

Provided that appropriate designations are made by the Fund, such portion of (i) the taxable portion of any net capital gains of the Fund, and (ii) the taxable dividends received by the Fund on shares of taxable Canadian corporations as are paid or become payable to you will effectively retain their character and be treated as such in your hands. The gross-up and dividend tax credit rules contained in the Tax Act will apply to such amounts that are designated as taxable dividends from taxable Canadian corporations. If the Fund makes the appropriate designation, you may be entitled to claim a foreign tax credit in accordance with the provisions of, and subject to the general limitations under, the Tax Act for a portion of the foreign tax paid by the Fund in respect of income from foreign sources.

The Unit Price at the time you acquire units may reflect income and gains of the Fund that have accrued prior to that time. Accordingly, if you acquire units, particularly late in a calendar year, you may become taxable on the income or gains of the Fund that accrued before those units were acquired by you.

We will provide you with prescribed information in the form required by the Tax Act to assist you in preparing your tax return.

Upon the redemption (or other disposition) of a unit of a particular series of units of a Fund, including on a redemption of units to pay any applicable reclassification fees, you will realize a capital gain (or capital loss) to the extent that your proceeds of disposition (i.e., the amount you receive for that unit) exceed (or are less than) your adjusted cost base of the unit and any reasonable costs of disposition. Your adjusted cost base of a single unit of a particular series of units of the Fund at any particular time will generally be the average cost of all such units held by you at that time. For the purpose of determining the adjusted cost base of your units of a particular series of units of the Fund, when units are acquired, including on the reinvestment of distributions, the cost of the newly acquired units will generally be averaged with the adjusted cost base of all such units owned by you as capital property immediately before that time.

One-half of any capital gain realized by you in a taxation year on the disposition of units will be included in your income for that taxation year and one-half of any capital loss realized by you must be deducted from the taxable portion of any capital gains realized in that taxation year. One-half of any unused capital losses may be deducted by you against the taxable portion of any capital gains arising in the three immediately preceding taxation years or in subsequent taxation years, subject to the rules in the Tax Act.

In general terms, net income of a Fund paid or payable to you that is designated as net realized taxable capital gains, taxable Canadian dividends or taxable capital gains realized on the disposition of units may increase your potential liability for alternative minimum tax.

A switch of units of a Fund to units of the same series of another Fund will constitute a redemption for the purposes of the Tax Act. A reclassification of one series of units of a Fund to another series of units of the same Fund should not generally be considered to give rise to a taxable disposition for the purposes of the Tax Act.

If you hold Series I units, you should consult your own tax advisors with respect to the deductibility of any management fees and performance fees you pay directly to the Manager.

Calculating the Adjusted Cost Base of a Unit of a Fund

You must separately compute the adjusted cost base in respect of each series of units of a Fund that you own. The adjusted cost base in respect of any series of units of a Fund that you own must be calculated in Canadian dollars.

The total adjusted cost of your units of a particular series of units of a Fund (the “subject series”) is generally equal to:

- the total of all amounts you paid to purchase those units, including any sales charges paid by you at the time of purchase; plus
- the adjusted cost base of any units of another series of units of the Fund that you hold that were reclassified as units of the subject series; plus
- the amount of any reinvested distributions in respect of units of the subject series; less
- the return of capital component of distributions paid to you in respect of your units of the subject series; and less
- the adjusted cost base of any of your units of the subject series that have been redeemed.

The adjusted cost base of a single unit of a subject series is the total adjusted cost base of units of the subject series held by you divided by the number of units of the subject series that you hold at the relevant time.

Tax Reporting

Generally, you will be required to provide your financial advisor with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada), U.S. resident, or a foreign tax resident, details of your investment in a Fund will generally be reported to the CRA unless units are held inside a registered plan. The CRA may provide the information to the relevant foreign tax authorities under exchange of information treaties or other agreements.

U.S. Foreign Account Tax Compliance Act

In March 2010, the U.S. enacted FATCA, which imposes certain reporting requirements on non-U.S. financial institutions. The governments of Canada and the United States have entered into an IGA, which establishes a framework for cooperation and information sharing between the two countries and may provide relief from the FATCA Tax for Canadian entities, such as the Funds, provided that (i) the Funds comply with the terms of the IGA and the Canadian legislation implementing the IGA in Part XVIII of the Tax Act, and (ii) the government of Canada complies with the terms of the IGA. The Funds will endeavour to comply with the requirements imposed under the IGA and Part XVIII of the Tax Act. Under Part XVIII of the Tax Act, holders of units of a Fund are required to provide identity and residency for tax purposes and other information to the Fund (and may be subject to penalties for failing to do so), which, in the case of "Specified U.S. Persons" or certain non-U.S. entities controlled by "Specified U.S. Persons", will be provided, along with certain financial information (for example, account balances), by the Fund to the CRA and from the CRA to the IRS. The Funds may be subject to FATCA Tax if it cannot satisfy the applicable requirements under the IGA or Part XVIII of the Tax Act, or if the Canadian government is not in compliance with the IGA and if the Funds are otherwise unable to comply with any relevant and applicable U.S. legislation.

International Tax Reporting

On December 15, 2016, Part XIX of the Tax Act was enacted, which came into force on July 1, 2017, and which implemented the Organization for Economic Co-operation and Development Common Reporting Standard. Pursuant to Part XIX of the Tax Act, "Canadian financial institutions" that are not "non-reporting financial institutions" (as both terms are defined in Part XIX of the Tax Act) are required to have procedures in place to identify accounts held by tax residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are tax resident in a foreign country and to report required information to the CRA. Such information is expected to be exchanged on a reciprocal, bilateral, basis with the tax authorities of the foreign country in which the account holders or such controlling persons are resident for tax purposes, pursuant to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Pursuant to Part XIX of the Tax Act, unitholders are required to provide certain information regarding their investment in a Fund for the purpose of such information exchange, unless the investment is held within certain Registered Plans.

WHAT ARE YOUR LEGAL RIGHTS?

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

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy securities of a mutual fund and get your money back, or to make a claim for damages, if (i) the Fund Facts are not sent or delivered to you within the time required under securities legislation, or (ii) the simplified prospectus, annual information form, Fund Facts or financial statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

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

PART B: SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS DOCUMENT

This section provides specific information for each Fund described in this Simplified Prospectus.

VENATOR ALTERNATIVE INCOME FUND

FUND DETAILS

Type of Fund:	Income Fund	
Securities Offered:	Series A Series F Series I	**Series Start Date**[1] January 24, 2020 January 24, 2020 January 24, 2020
Registered Plan Eligibility:	Eligible for Registered Plans	
Annual Management Fee:	Series A: 2.0% Series F: 1.0% Series I: negotiated and paid by each Series I unitholder, which will not exceed the management fee payable on Series A units of the Fund.	
Performance Fee:	Based on the net profits of a Series if the Unit Price on the Performance Valuation Date plus the aggregate amount of all distributions declared on such Unit exceeds an annualized current year return of 5% over the previous High Water Mark for Series A and F. The Manager will be entitled to (i) all of the increase in Adjusted NAV per Unit between the Threshold Rate and the Threshold Rate plus 0.5%, and (ii) 10% of any gains in excess of the Threshold Rate plus 0.5%. Holders of Series I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder, which will not exceed the performance fee payable on Series A units, and Series F units of the Fund.	
Purchases:	Weekly, on the last business day of each week (the "**Purchase Processing Frequency**").	
Redemptions:	Weekly, provided at least 5 business days prior written notice is given (the "**Redemption Processing Frequency**").	

WHAT DOES THE FUND INVEST IN?

Investment Objective

The Venator Alternative Income Fund seeks to provide unitholders with long-term returns. The Portfolio Manager will actively manage a diversified portfolio of primarily global fixed income securities by opportunistically utilizing both long and short positions.

[1] Since August 1, 2008, the Fund formerly offered Series A and Series F units privately.

The Fund's aggregate gross exposure (as defined in subsection 2.9.1(2) of NI 81-102) to be calculated as the sum of the following must not exceed 300% of the Fund's NAV: (i) the aggregate value of the Fund's indebtedness under any borrowing agreements entered into; (ii) the aggregate market value of securities sold short by the Fund; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. Notwithstanding the limit, the Fund intends to maintain typical aggregate gross exposure to cash borrowing, short selling and specified derivatives transactions within a range between 90% and 200% of its NAV.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

To achieve the Fund's investment objective, the Portfolio Manager will actively manage a diversified portfolio of primarily global fixed income securities by opportunistically utilizing both long and short positions. The Portfolio Manager assesses specific investment opportunities based on both top-down and bottom-up analysis. On average, over time, it is expected that for every $100 invested, the Fund portfolio's use of leverage will be approximately $90-$200. To obtain this leverage, the Fund will engage in short selling, borrowing and use derivatives as described below. The net market exposure of the Fund will typically range between 90% and 200%.

The Fund will primarily invest, directly or indirectly through the use of derivatives, in global developed markets fixed income securities including, but not limited to, government bonds, corporate bonds, bank loans, high yield bonds, securitized credit tranches, convertible bonds, preferred shares, common equity and cash and/or cash equivalents. The Fund has a flexible mandate to invest in both investment grade and non-investment grade securities.

The Fund may invest from time to time (either directly or by maintaining a position in a specified derivative) in securities of another alternative mutual fund or non-redeemable investment fund (an "underlying fund"), including underlying funds managed by the Manager or an affiliate or associate of the Manager provided that the underlying fund is subject to NI 81-102 and is a reporting issuer in a province or territory of Canada.

Repurchase transactions, reverse repurchase transactions and securities lending may be used in conjunction with the investment strategies of the Fund to enhance returns.

The Fund will not purchase a security of an issuer, enter into a specified derivatives transaction or purchase an index participation unit if, immediately after the transaction, more than 20% of its NAV would be invested in securities of any one issuer.

Short Selling and Borrowing

"**Cash Borrowing Strategy**" means additional cash borrowing for investment purposes in excess of the Total Borrowing Limit.

"**Cash Currency Hedging Strategy**" means the strategy pursuant to which the Fund may acquire long and short positions by borrowing cash in a foreign currency pursuant to a margin facility provided by the Fund's custodian to acquire foreign equities or fixed income securities denominated in the foreign currency.

"**Leverage Strategies**" means, collectively, the Cash Borrowing Strategy and the Shorting Strategies.

"**Shorting Strategies**" means the use of market-neutral, offsetting, inverse or shorting strategies requiring the use of short selling in excess of the Short Selling Limit.

The investment strategies of the Fund permit, or will permit, it to:

(a) enter into a foreign cash borrowing transaction under the Cash Currency Hedging Strategy, provided that the aggregate value of foreign cash borrowed by the Fund under the Cash Currency Hedging Strategy does not exceed 100% Fund's NAV (the "**Cash Currency Hedging Strategy Limit**"); and

(b) enter into a cash borrowing or short selling transaction under its Leverage Strategies, provided that at the time the Fund enters into a cash borrowing transaction or sells a security short (i) the aggregate market value of securities of any one issuer (other than "government securities" as defined in NI 81-102) sold short by the Fund does not exceed 10% of the NAV of the Fund and (ii) the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund under its Leverage Strategies does not exceed 100% of the Fund's NAV ("**Leverage Strategies Limits**" and together with the Cash Currency Hedging Strategy Limit, the "**Permitted Total Borrowing and Short Sales Limit**").

If any of the Cash Currency Hedging Strategy Limit, Leverage Strategies Limits or Permitted Total Borrowing and Short Sales Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to be within the applicable limit or limits.

The Fund may sell securities short. A short sale is a transaction in which the Fund sells securities that it has borrowed from a lender in the open market and, at a later date, the Fund is required to purchase the same securities on the open market and return them to the lender. In the interim, the Fund must pay compensation to the lender for the loan of the securities and also provide collateral to the lender for such loan.

The Fund may borrow cash. When the Fund engages in cash borrowing, it will provide a security interest over the certain assets of the Fund to the lender as security in connection with such borrowing.

With respect to short selling and borrowing, the Fund will be managed, in all other respects, in accordance with the investment restrictions and rules applicable to alternative mutual funds as outlined in NI 81-102 which currently include:

- The Fund may only borrow cash from entities that would qualify as a custodian or sub-custodian under section 6.2 or section 6.3 of NI 81-102;
- Where the lender is an affiliate of the Manager, approval of the Fund's IRC is required and the borrowing arrangement must be in accordance with normal industry practice and be on standard commercial terms for agreements of this nature; and
- The aggregate market value of the securities of a single issuer (excluding "government securities" as defined in NI 81-102) sold short by the Fund will not exceed 10% of the Fund's NAV.

The Fund does not currently anticipate engaging in cash borrowing from an affiliate of the Manager.

Use of Derivatives

Derivatives generally take the form of a contract between two parties to purchase or sell a specific commodity, currency, security, index or other underlying interest at a later time. Derivatives may be traded on a securities exchange or on over the counter markets. The Portfolio Manager will use derivatives such as futures, forwards, options, swaps and structured notes for "hedging" purposes to reduce the Fund's exposure to changes in securities' prices, interest rates, exchange rates or other risks. Derivatives may also be used for "non-hedging" purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund's investment objective. The Fund may invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a "designated rating" as defined in NI 81-102**.** The financial statements of the Fund will include disclosure regarding the Fund's use of derivatives for hedging and non-hedging purposes as at the last day of the applicable financial reporting period.

Leverage

On average, over time the Portfolio Manager generally expects the Fund to utilize leverage of approximately 90% to 200% of the Fund's NAV but, at all times, will be within the limits prescribed by applicable securities legislation.

The Fund's aggregate gross exposure must not exceed three times the Fund's NAV and will be calculated as the sum of: (i) the aggregate value of the Fund's outstanding indebtedness under borrowing arrangements entered into in accordance with NI 81-102; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Fund's specified derivatives positions minus the aggregate notional amount of any specified derivatives that are hedging transactions. If the Fund's aggregate gross exposure exceeds three times the Fund's NAV, the Portfolio Manager shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's NAV or less.

Portfolio Turnover

The investment strategies of the Fund involve a moderate amount of portfolio turnover. Active trading of the Fund's investments may result in increased trading costs, which can lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold units outside of a Registered Plan.

General

As Manager of the Fund, we may change the investment strategies from time to time, but we will provide unitholders notice of our intention to do so if it would be a "material change" as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"). Under NI 81-106, a change in the business, operations, or affairs of the Fund is considered to be a material change if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the Fund.

While not currently expected by the Portfolio Manager, the Fund may temporarily hold a substantial portion of its assets in cash and/or money market instruments in anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes, for rebalancing purposes or for purposes of a merger or other transactions. As a result, the Fund may not be fully invested in accordance with its fundamental investment objective and strategies.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Call Risk
- Capital Depletion Risk
- Changes in Investment Strategy Risk
- Charges to the Fund Risk
- Commodity Risk
- Concentration Risk
- Convertible Securities Risk
- Corporate Debt Securities Risk
- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Emerging Markets Risk
- Equity Risk
- European Investments Risk
- Exchange Traded Fund Risk
- Fixed Income Investment Risk
- Foreign Investments Risk
- General Economic and Market Conditions Risk
- Hedging Risk
- High Yield Securities Risk
- Income Trusts, Partnerships and REITs Risk
- Interest Rate Risk
- Large Transaction Risk
- Legislation Risk
- Leverage Risk
- Liquidity Risk
- Loss of Investment Risk
- Mandatory Redemption Risk
- Market Risk
- Modeling Risk
- Multiple Series Risk
- Nature of Units Risk
- Performance Fee Risk
- Portfolio Manager Risk
- Portfolio Turnover Risk
- Possible Effect of Redemption Risk
- Potential Conflicts of Interest Risk
- Potential Indemnification Obligations Risk
- Prepayment Risk
- Regulatory and Legal Risk
- Repurchase Transactions, Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Small Company Risk
- Suspension of Redemptions Risk
- Suspension of Trading Risk
- Taxation of the Fund Risk
- Trust Loss Restriction Rule Risk
- Use of a Prime Broker to Hold Assets Risk
- U.S. Foreign Account Tax Compliance Risk
- Valuation of the Fund's Investments Risk
- COVID-19 Risk

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated the Fund's risk as Low/Medium.

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is right for the investor. The Manager's determination of the investment risk rating for the Fund is based on the methodology outlined in Appendix F, Investment Risk Classification Methodology, of NI 81-102. A fund's risk is measured using its standard deviation for the most recent 10-year period. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods. Since the Fund has not distributed its securities under a simplified prospectus previously, we calculate the investment risk level using a reference index that is reasonably expected to approximate the standard deviation of the Fund. The reference indices used are (i) the ICE BofAML US High Yield Master II Index value, which tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market (75% weighting) and (ii) the Bloomberg CAD High Yield Corporate Bond Index, a rules-based, market-value-weighted index engineered to measure Canadian dollar denominated high yield fixed-rate securities publicly issued in the Canadian bond market (25% weighting).

There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading "*Who Should Invest in this Fund?*" and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us at 416-934-7994 or info@venator.ca.

WHO SHOULD INVEST IN THIS FUND?

This Fund may be right for you if:

- you are looking for a diversified fixed income fund with a view to maximize long-term total returns;
- want a medium-term or longer investment; and
- can tolerate a low/medium level of risk.

This Fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility. The Fund is only suitable for investors who can accept the Purchase Processing Frequency and/or the Redemption Processing Frequency.

DISTRIBUTION POLICY

The Fund may distribute to unitholders on or about the 15^{th} day of the month immediately following the calendar month in which a distribution is declared, or such other date as the Manager may determine from time to time in respect of a distributable period (the "**Distribution Date**") such percentage of the distributable income of the Fund for each calendar month or such other period as the Manager in its discretion may determine and declare (the "**Distribution Period**"). Depending on the underlying investments of the Fund, distributions on units of the Fund may consist of ordinary income sourced from dividends, interest income or distributions received by the Fund, less the expenses of the Fund, but may also, at the discretion of the Manager, include net realized capital gains and returns of capital. To the extent that the expenses of the Fund exceed the income generated by the Fund in any given month or such other period as the Manager may determine, it is not expected that a distribution will be paid for such Distribution Period.

Unitholders at the close of business on each distribution record date shall be entitled to receive any distribution declared by the Manager for such Distribution Period. Unitholders may choose to receive the distributions in cash or have the amounts reinvested for additional units of the series on which they are paid.

For each taxation year, the Fund will ensure that its income and net realized capital gains have been distributed to unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon, To the extent that the Fund has not distributed the full amount of its net income or capital gains in any taxation year, the difference between such amount and the amount actually distributed by the Fund will be paid to unitholders at the end of such taxation year and that distribution will be automatically be reinvested in additional units of the series on which they are paid. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the Unit Price following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The management fees and fund costs described under "*Fees and Expenses*" are generally paid out of the Fund's assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund's MER, are described under "*Fees and Expenses Payable Directly by You*" in this Simplified Prospectus.

	One Year	**Three Years**	**Five Years**	**Ten Years**
Series A units	3.57%	-	-	-
Series F units	2.47%	-	-	-
Series I units	N/A	-	-	-

See "*Fees and Expenses*" for more information about the cost of investing in the Fund.

VENATOR FOUNDERS ALTERNATIVE FUND

FUND DETAILS

Type of Fund:	Long/Short Equity Fund	
Securities Offered:	Series A Series F Series I	**Series Start Date**[2] June 30, 2021 June 30, 2021 June 30, 2021
Registered Plan Eligibility:	Eligible for Registered Plans	
Annual Management Fee:	Series A: 2.0% Series F: 1.0% Series I: negotiated and paid by each Series I unitholder, which will not exceed the management fee payable on Series A units of the Fund.	
Performance Fee:	Based on the net profits of a Series if the Unit Price on the Performance Valuation Date plus the aggregate amount of all distributions declared on such Unit exceeds the previous High Water Mark for Series A and F. The Manager will be entitled to 20% of any gains in excess of the High Water Mark. Holders of Series I units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the unitholder, which will not exceed the performance fee payable on Series A units, and Series F units of the Fund.	
Purchases:	Weekly, on the last business day of each week (the "**Purchase Processing Frequency**").	
Redemptions:	Weekly, provided at least 5 business days prior written notice is given (the "**Redemption Processing Frequency**").	

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Fund is to provide long-term capital growth through fundamental securities selection by taking both long and short investment positions in equity, debt and derivative securities and through strategic trading.

The Fund's aggregate gross exposure (as defined in subsection 2.9.1(2) of NI 81-102) to be calculated as the sum of the following must not exceed 300% of the Fund's NAV: (i) the aggregate value of the Fund's

[2] Since June 28, 2007, the Fund formerly offered Series A and Series F units privately.

indebtedness under any borrowing agreements entered into; (ii) the aggregate market value of securities sold short by the Fund; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. Notwithstanding the limit, the Fund intends to maintain typical aggregate gross exposure to cash borrowing, short selling and specified derivatives transactions within a range between 90% and 200% of its NAV.

The fundamental investment objective of the Fund will not change without the consent of a majority of the voting unitholders of the Fund.

Investment Strategies

The Manager intends to focus on, but is not limited to, long positions in the following general areas: (i) issuers that are not well followed by the investment community and are trading at price to earnings ratios, price to sales ratios and/or price to cash flow ratios that do not reflect their earnings and/or cash flow growth rates; (ii) issuers that are showing profitability ratios well below their potential and where a plan to increase efficiencies exist or is expected to be implemented in the near future; (iii) issuers with track records of profitable operations and strong balance sheets, and which are trading below their intrinsic or fair values; (iv) securities of companies involved in corporate restructurings, mergers, acquisitions and spin-offs; (v) securities of distressed and bankrupt companies; (vi) high yield instruments; and (vii) option derivatives.

In selecting short sale candidates, the Manager expects to focus on, but is not limited to, options in indices to reduce beta (expand) companies that are experiencing deteriorating business and industry conditions, have leveraged and/or cash poor balance sheets and/or are facing capital expenditure requirements in excess of their internal cash generation abilities and/or companies that are trading above their intrinsic or fair value.

Certain short sales may be initiated solely to hedge market exposure or currency exposure. This may include securities in issuers such as borrowers of foreign currencies, index-tracking securities or large capitalization stocks that serve as a barometer to sectors where the Manager is looking to decrease the Fund's overall and/or net market exposure.

The Manager may engage in special situations trading from time to time, including investing in event-driven situations such as private placements, initial public offerings, convertible debt and equity offerings, corporate restructurings, mergers, acquisitions and spin-offs, hostile takeovers or bankruptcies.

Short Selling and Borrowing

"**Cash Borrowing Strategy**" means additional cash borrowing for investment purposes in excess of the Total Borrowing Limit.

"**Cash Currency Hedging Strategy**" means the strategy pursuant to which the Fund may acquire long and short positions by borrowing cash in a foreign currency pursuant to a margin facility provide by the Fund's custodian to acquire foreign equities or fixed income securities denominated in the foreign currency.

"**Leverage Strategies**" means, collectively, the Cash Borrowing Strategy and the Shorting Strategies.

"**Shorting Strategies**" means the use of market-neutral, offsetting, inverse or shorting strategies requiring the use of short selling in excess of the Short Selling Limit.

The investment strategies of the Fund permit, or will permit, it to:

(a) enter into a foreign cash borrowing transaction under the Cash Currency Hedging Strategy, provided that the aggregate value of foreign cash borrowed by the Fund under the Cash Currency Hedging Strategy does not exceed 100% Fund's NAV (the "**Cash Currency Hedging Strategy Limit**"); and

(b) enter into a cash borrowing or short selling transaction under its Leverage Strategies, provided that at the time the Fund enters into a cash borrowing transaction or sells a security short (i) the aggregate market value of securities of any one issuer (other than "government securities" as defined in NI 81-102) sold short by the Fund does not exceed 10% of the NAV of the Fund and (ii) the aggregate value of cash borrowed combined with the aggregate market value of all securities sold short by the Fund under its Leverage Strategies does not exceed 100% of the Fund's NAV ("**Leverage Strategies Limits**" and together with the Cash Currency Hedging Strategy Limit, the "**Permitted Total Borrowing and Short Sales Limit**").

If any of the Cash Currency Hedging Strategy Limit, Leverage Strategies Limits or Permitted Total Borrowing and Short Sales Limit is exceeded, the Fund shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate value of cash borrowed combined with the aggregate market value of securities sold short to be within the applicable limit or limits.

The Fund may sell securities short. A short sale is a transaction in which the Fund sells securities that it has borrowed from a lender in the open market and, at a later date, the Fund is required to purchase the same securities on the open market and return them to the lender. In the interim, the Fund must pay compensation to the lender for the loan of the securities and also provide collateral to the lender for such loan.

The Fund may borrow cash. When the Fund engages in cash borrowing, it will provide a security interest over the certain assets of the Fund to the lender as security in connection with such borrowing.

With respect to short selling and borrowing, the Fund will be managed, in all other respects, in accordance with the investment restrictions and rules applicable to alternative mutual funds as outlined in NI 81-102 which currently include:

- The Fund may only borrow cash from entities that would qualify as a custodian or sub-custodian under section 6.2 or section 6.3 of NI 81-102;
- Where the lender is an affiliate of the Manager, approval of the Fund's IRC is required and the borrowing arrangement must be in accordance with normal industry practice and be on standard commercial terms for agreements of this nature; and
- The aggregate market value of the securities of a single issuer (excluding "government securities" as defined in NI 81-102) sold short by the Fund will not exceed 10% of the Fund's NAV.

The Fund does not currently anticipate engaging in cash borrowing from an affiliate of the Manager.

Use of Derivatives

Derivatives generally take the form of a contract between two parties to purchase or sell a specific commodity, currency, security, index or other underlying interest at a later time. Derivatives may be traded on a securities exchange or on over the counter markets. The Portfolio Manager will use derivatives such as futures, forwards, options, swaps and structured notes for "hedging" purposes to reduce the Fund's exposure to changes in securities' prices, interest rates, exchange rates or other risks. Derivatives may also be used for "non-hedging" purposes, which may include the following: (i) as substitute investments for stocks or a stock market; (ii) to gain exposure to other currencies; (iii) to seek to generate additional income; or (iv) for any other purpose that is consistent with the Fund's investment objective. The Fund may invest in specified derivatives, uncovered derivatives or enter into derivatives contracts with counterparties that do not have a "designated rating" as defined in NI 81-102**.** The financial statements of the Fund will include disclosure regarding the Fund's use of derivatives for hedging and non-hedging purposes as at the last day of the applicable financial reporting period.

Leverage

On average, over time the Portfolio Manager generally expects the Fund to utilize leverage of approximately 90% to 200% of the Fund's NAV but, at all times, will be within the limits prescribed by applicable securities legislation.

The Fund's aggregate gross exposure must not exceed three times the Fund's NAV and will be calculated as the sum of: (i) the aggregate value of the Fund's outstanding indebtedness under borrowing arrangements entered into in accordance with NI 81-102; (ii) the aggregate market value of all securities sold short; and (iii) the aggregate notional value of the Fund's specified derivatives positions minus the aggregate notional amount of any specified derivatives that are hedging transactions. If the Fund's aggregate gross exposure exceeds three times the Fund's NAV, the Portfolio Manager shall, as quickly as is commercially reasonable, take all necessary steps to reduce the aggregate gross exposure to three times the Fund's NAV or less.

Portfolio Turnover

The investment strategies of the Fund involve a moderate amount of portfolio turnover. Active trading of the Fund's investments may result in increased trading costs, which can lower the Fund's returns. It also increases the possibility that you will receive distributions, which are taxable if you hold units outside of a Registered Plan.

General

As Manager of the Fund, we may change the investment strategies from time to time, but we will provide unitholders notice of our intention to do so if it would be a "material change" as defined in National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"). Under NI 81-106, a change in the business, operations, or affairs of the Fund is considered to be a material change if a reasonable investor would consider it important in deciding whether to purchase or continue to hold units of the Fund.

While not currently expected by the Portfolio Manager, the Fund may temporarily hold a substantial portion of its assets in cash and/or money market instruments in anticipation of or in response to adverse market conditions, for cash management purposes, for defensive purposes, for rebalancing purposes or for purposes of a merger or other transactions. As a result, the Fund may not be fully invested in accordance with its fundamental investment objective and strategies.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

Please see "*What are the specific investment risks of investing in a mutual fund?*" section of this Simplified Prospectus for a full discussion of the risks associated with investing in the Fund. The Fund is generally exposed to the following risks:

- Call Risk
- Liquidity Risk

- Capital Depletion Risk
- Changes in Investment Strategy Risk
- Charges to the Fund Risk
- Commodity Risk
- Concentration Risk
- Convertible Securities Risk
- Corporate Debt Securities Risk
- Counterparty Risk
- Credit Risk
- Currency Risk
- Cyber Security Risk
- Derivatives Risk
- Emerging Markets Risk
- Equity Risk
- European Investments Risk
- Exchange Traded Fund Risk
- Fixed Income Investment Risk
- Foreign Investments Risk
- General Economic and Market Conditions Risk
- Hedging Risk
- High Yield Securities Risk
- Income Trusts, Partnerships and REITs Risk
- Interest Rate Risk
- Large Transaction Risk
- Legislation Risk
- Leverage Risk
- Loss of Investment Risk
- Mandatory Redemption Risk
- Market Risk
- Modeling Risk
- Multiple Series Risk
- Nature of Units Risk
- Performance Fee Risk
- Portfolio Manager Risk
- Portfolio Turnover Risk
- Possible Effect of Redemption Risk
- Potential Conflicts of Interest Risk
- Potential Indemnification Obligations Risk
- Prepayment Risk
- Regulatory and Legal Risk
- Repurchase Transactions, Reverse Repurchase Transactions and Securities Lending Risk
- Short Selling Risk
- Small Company Risk
- Suspension of Redemptions Risk
- Suspension of Trading Risk
- Taxation of the Fund Risk
- Trust Loss Restriction Rule Risk
- Use of a Prime Broker to Hold Assets Risk
- U.S. Foreign Account Tax Compliance Risk
- Valuation of the Fund's Investments Risk
- COVID-19 Risk

INVESTMENT RISK CLASSIFICATION METHODOLOGY

The Manager has rated the Fund's risk as Medium.

The Manager has identified the investment risk level of the Fund as an additional guide to help prospective investors decide whether the Fund is right for the investor. The Manager's determination of the investment risk rating for the Fund is based on the methodology outlined in Appendix F, Investment Risk Classification Methodology, of NI 81-102. A fund's risk is measured using its standard deviation for the most recent 10-year period. The standard deviation represents, generally, the level of volatility in returns that a fund has historically experienced over the set measurement periods. Since the Fund has not distributed its securities under a simplified prospectus previously, we calculate the investment risk level using a reference index that is reasonably expected to approximate the standard deviation of the Fund. The reference indices used are (i) 25% S&P TSX total return index; (ii) 25% S&P 500 total return index; (iii) 25% S&P Toronto Small Cap total return index ; and (iv) 25% Russell 2000 total return index.

There may be times when we believe this methodology produces a result that does not reflect the Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, but the Fund can never be placed in a lower risk rating category.

You should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of the Fund is identified under the sub-heading "*Who Should Invest in this Fund?*" and is reviewed annually and at any time that the risk rating is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk ratings of the Fund is available on request, at no cost, by contacting us at 416-934-7994 or info@venator.ca.

WHO SHOULD INVEST IN THIS FUND?

This Fund may be right for you if:

- you are looking for a diversified equity fund with a view to maximize long-term total returns;
- want a medium-term or longer investment; and
- can tolerate a medium level of risk.

This Fund is not suitable for investors who are investing for the short term or who are not willing to accept periodic volatility. The Fund is only suitable for investors who can accept the Purchase Processing Frequency and/or the Redemption Processing Frequency.

DISTRIBUTION POLICY

The Fund does not intend to make regular distributions.

For each taxation year, the Fund will ensure that its income and net realized capital gains are distributed to unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. The distribution will be paid to unitholders at the end of such taxation year and that distribution will be automatically reinvested in additional units of the series on which they are paid.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The following information is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The management fees and fund costs described under "*Fees and Expenses*" are generally paid out of the Fund's assets and constitute the MER of the Fund, which reduces the investment return on your units. The fees and expenses which you pay directly, and which are not included in the Fund's MER, are described under "*Fees and Expenses Payable Directly by You*" in this Simplified Prospectus.

There is no table provided of Fund expenses indirectly borne by investors for Series A, Series F and Series I units because these units are new. See "*Fees and Expenses*" for more information about the cost of investing in the Fund.

Venator Funds

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference in this Simplified Prospectus, which means that they legally form part of this Simplified Prospectus just as if they were printed in it.

You can get a copy of these documents at your request, and at no cost, by calling 416-934-7994, online at www.venator.ca,, by email to info@venator.ca or from your dealer.

These documents and other information about the Funds, such as material contracts and information circulars, are also available at www.sedar.com.

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