SIMPLIFIED PROSPECTUS
FOR ALTERNATIVE MUTUAL FUNDS

August 15, 2023

Class A, F, Af Founders, Ff Founders and I Units

MAXAM ARBITRAGE FUND

Class A, B, F, I, M and X Units

MAXAM DIVERSIFIED STRATEGIES FUND

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. None of the securities described in this document nor the Funds are registered with the United States Securities and Exchange Commission.

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Introduction

This document contains selected important information about the Funds to help you make an informed investment decision 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. Throughout this simplified prospectus:

- ***We, us, our, Manager*** and ***Maxam*** refers to Maxam Capital Management Ltd.;
- ***Funds*** refers to the Maxam Arbitrage Fund and the Maxam Diversified Strategies Fund (each a ***Fund***);
- ***You*** and ***your*** refers to everyone who invests in the Funds;
- ***Unit*** or ***Units*** refer to a unit or units of the Funds;
- ***Unitholders*** refers to owners of Units of the Funds;
- ***Class*** or ***Classes*** refers to one or more classes of Units of the Funds;
- ***Sub-Class*** or ***Sub-Classes*** refers to one or more sub-classes (or series or sub-series) of the Funds;
- ***Dealer*** refers to the company where your registered representative works;
- ***Registered representative*** refers to the representative registered in your province or territory who advises you on your investments; and
- ***Trustee*** refers to Maxam acting in its capacity as the trustee of the Funds.

This document is divided into two parts. The first part, from pages 1 to 33, contains general information applicable to all of the Funds. The second part, from pages 35 to 61, contains specific information about each of the Funds described in this document.

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

- the most recently filed Fund Facts documents;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance ("**MRFP**"); and
- any interim MRFP filed after the annual MRFP.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of this document. You can get a copy of these documents, at your request, and at no cost, by calling 604-685-0201 or by contacting your registered representative.

These documents are also available on the Funds' designated website at www.maxamcm.com or by contacting us by e-mail at info@maxamcm.com. These documents and other information about the Funds are also available at www.sedarplus.com.

Responsibility for Fund Administration

Manager

Maxam Capital Management Ltd., a corporation incorporated under the laws of British Columbia, with offices located at 330 – 609 Granville Street, Vancouver, British Columbia, V7Y 1A1, is the Manager of the Funds. You can contact us by telephone at 604-685-0201, by facsimile at 604-685-9970 or by e-mail at info@maxamcm.com.

Maxam has been appointed to act as the manager of the Maxam Arbitrage Fund and the Maxam Diversified Strategies Fund pursuant to the terms of an amended and restated management agreement dated August 22, 2022, between Maxam, in its capacity as manager of the Fund, and Maxam, as trustee of the Funds (the "**Management Agreement**"). Under the terms of the Management Agreement, Maxam is responsible for providing or arranging for the investment management, marketing and distribution of Units of the Funds. A change in the manager of the Funds (other than to an affiliate of Maxam) may be made only with the approval of the Unitholders of the Funds. The Management Agreement may be terminated by the Manager upon 60 days' prior written notice, or immediately by the Trustee in the event of bankruptcy or a material breach of the Management Agreement by the Manager.

If a Fund holds securities of another mutual fund that is managed by the Manager or an affiliate, the securities of the other mutual fund held by the Fund will not be voted and the Manager may arrange for the securities of the other mutual fund to be voted by the beneficial holders of the securities of the Fund.

Directors and Executive Officers

The names, municipalities of residence and current positions of the directors and executive officers of Maxam are as follows:

Name and Municipality of Residence	**Position With Maxam**
TRAVIS DOWLE, CFA Vancouver, BC	President, Fund Manager, Director and Ultimate Designated Person
BRIAN HIKISCH, CFA North Vancouver, BC	Portfolio Manager, Director
SEAN MORRISON, CA Vancouver, BC	Director
BEN MACFADYEN, CFA Vancouver, BC	Chief Operating Officer, Chief Compliance Officer

Portfolio Adviser

Maxam is portfolio adviser of the Funds. As portfolio adviser, Maxam manages the investment portfolios of the Funds, provides analysis and makes decisions relating to the investment of the assets of the Funds.

The name, title and role of those individuals employed by Maxam who are principally responsible for the day-to-day management of the Funds, or implementing its investment strategy, including the role in the investment decision-making process and whether their decisions are subject to oversight, approval or ratification of a committee, are shown below:

Name	Position	Role in Investment Decision-Making Process
TRAVIS DOWLE	President, Fund Manager, Director and Ultimate Designated Person	Portfolio Manager
BRIAN HIKISCH	Portfolio Manager and Director	Portfolio Manager

Brokerage Arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation of commissions, where applicable, are made by Maxam.

The primary consideration in all portfolio transactions will be prompt execution of orders in an efficient manner at the most favourable price. In selecting and monitoring dealers and negotiating commissions, Maxam considers the dealer's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one dealer is believed to meet these criteria, preference may be given to dealers who provide research or statistical material or other services to the Funds or to Maxam. Such research and order execution goods and services include advice, both directly and in writing, as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities, or purchasers or sellers of securities; analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy or the performance of accounts; trading software; market data; custody, clearing and settlement services that were directly related to executed orders; as well as databases and software that supported these goods and services. Dealers and third parties may provide the same or similar goods and services in the future. The users of these research and order execution goods and services are portfolio managers, research analysts and traders. Such services allow Maxam to supplement its own investment research activities and obtain the views and information of others prior to making investment decisions. Maxam is of the opinion that, because this material may be analyzed and reviewed by its staff, its receipt and use does not tend to reduce expenses but may benefit the Funds by supplementing Maxam's research. Maxam conducts trade cost analysis to ensure that the Funds receives a reasonable benefit considering the use of the research and order execution goods and services, as applicable, and the amount of the brokerage commission paid. Maxam also makes a good faith determination that the Funds receive reasonable benefit considering the use of the goods and services, the amount of brokerage commissions paid, the range of services and the quality of research received.

If brokerage transactions involving the client brokerage commissions of the Funds, other than order execution, are directed to a dealer or a third party in return for the provision of any goods or services by the dealer or by a third party, the names of the dealers or third parties will be provided upon request by contacting Maxam at 604-685-0201 or at maxamcm.com.

Principal Distributor

Maxam has not appointed a principal distributor for the Funds.

Trustee

Maxam acts as the trustee of the Funds pursuant to an amended and restated trust agreement dated August 22, 2022 (the "**Amended and Restated Trust Agreement**") entered into between Maxam, in its capacity as manager of the Funds, and Maxam, as trustee of the Funds. When you purchase Units of a Fund, you are buying units of a trust. The Trustee holds title to the securities owned by the Funds. The Trustee has a fiduciary responsibility to act in the best interests of the Unitholders on the terms set out in the Amended and Restated Trust Agreement. The Amended and Restated Trust Agreement provides for circumstances in which the Trustee, and other service providers, may rely on the Manager in carrying out their responsibilities.

Custodian

TD Securities Inc., of Toronto, Ontario, has been appointed to act as the custodian of the Funds pursuant to the terms of: (i) for the Maxam Arbitrage Fund, a custody agreement between us and TD Securities Inc. dated August 11, 2020 (the "**MAF Custody Agreement**"); and (ii) for the Maxam Diversified Strategies Fund, a custody agreement between us and TD Securities Inc. dated August 22, 2022 (the "**MDSF Custody Agreement**"). As custodian, TD Securities Inc. receives and holds all cash, portfolio securities and other assets of the Funds for safekeeping. Under the terms of the Amended and Restated Trust Agreement and subject to applicable laws, the custodian may appoint one or more sub-custodians to effect portfolio transactions outside of Canada.

Auditor

The auditor conducts an audit of the annual financial statements of the Funds in accordance with Canadian auditing standards. The auditor of the Funds is KPMG LLP, of Vancouver, British Columbia.

Registrar

SGGG Fund Services Inc. ("**SGGG**") of Toronto, Ontario is the record-keeper and fund administrator for the Funds. As such, SGGG is responsible for keeping a register of all Fund investors. Maxam and SGGG have entered into a services agreement dated August 11, 2020, in connection with these services.

Securities Lending Agent

As of the date of this simplified prospectus, we have not appointed a securities lending agent for the Funds, however, we may appoint a securities lending agent for the Funds in the future. Under the terms of any securities lending agreement entered into in respect of the Funds, the securities lending agent will be required to act as agent for securities lending transactions and to execute securities lending agreements with borrowers on behalf of the Funds in accordance with National Instrument 81-102 *Investment Funds* ("**NI 81-102**"), the collateral received by the Funds in any securities lending transaction must have a market value equal of at least 102% or such greater amount specified by NI 81-102, and the securities lending agent will be required has to indemnify the Funds against any direct loss that is the result of negligence, fraud or wilful misconduct of the securities lending agent.

Cash Lender

TD Securities Inc. has entered into an agreement to lend money to the Funds. TD Securities Inc. is not an affiliate or associate of the Funds.

Other Service Providers

Prime Broker

TD Securities Inc., of Toronto, Ontario, is the prime broker of the Funds. TD Securities Inc. provides prime brokerage services to the Funds, including trade execution and settlement, securities lending in connection with the short sale strategies of the Funds, and cash borrowing for investment purposes in accordance with the investment objectives and strategies of the Funds, pursuant to the terms of: (i) for the Maxam Arbitrage Fund, a prime brokerage services agreement dated August 11, 2020 (the "**MAF Brokerage Agreement**"); and (ii) for the Maxam Diversified Strategies Fund, a prime brokerage services agreement dated August 22, 2022 (the "**MDSF Brokerage Agreement**"). The Funds may appoint additional prime brokers from time to time.

Promoter

Maxam is the promoter of the Funds.

Independent Review Committee and Fund Governance

Pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**"), an Independent Review Committee ("**IRC**") has been established for the Funds, and is comprised of the following members, each of whom is independent from Maxam.

Name and Municipality of Residence	Background Information
CHRISTOPHER WALLACE North Vancouver, BC Chair of IRC	Mr. Wallace is a Managing Director for CCC Investment Banking in Vancouver, British Columbia. Mr. Wallace has over 30 years of experience as both a lender and a private equity fund manager and has been involved in over 150 M&A and debt transactions.
JUSTIN KATES Vancouver, BC	Mr. Kates is a partner at the law firm of DuMoulin Black LLP, based in Vancouver, British Columbia. Mr. Kates practices primarily in the areas of securities, corporate finance, mergers and acquisitions, and corporate and commercial law.
THEONI PILARINOS Burnaby, BC	Ms. Pilarinos is an independent financial consultant. Ms. Pilarinos has over 15 years of corporate and investment industry experience, including more than eight years as an Equity Analyst at Raymond James, and five years as Finance Director at Finning International. Ms. Pilarinos holds the Chartered Financial Analyst designation.

The IRC provides independent oversight and impartial judgment on conflicts of interest involving the Funds. The IRC functions in accordance with NI 81-107, which requires the Manager to have policies and procedures relating to conflicts of interest. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds and, in certain cases, such as inter-fund trades, to decide whether or not to approve the Manager's proposal. The IRC prepares, at least annually, a report of its activities for Unitholders of the Funds and makes such reports available on the Funds' designated website at www.maxamcm.com or, at your request, and at no cost to you, by calling 604-685-0201. The Funds will pay the fees and expenses of the IRC.

Under applicable securities laws, certain merger transactions involving the Funds may be completed without the approval of Unitholders provided that, among other things, the transaction is approved by the IRC and we provide you with at least 60 days' notice of the proposed transaction. Although the approval of Unitholders may not be obtained before making such changes, we will provide you with written notice of such change at least 60 days before the effective date of the change.

The Funds are structured as trusts and are governed by the Amended and Restated Trust Agreement. The duties of the Trustee and the Manager of the Funds are separately set out in the Amended and Restated Trust Agreement, with Maxam, as manager, having responsibility for arranging for investment management, marketing and the offering of Units. The board of directors of Maxam is responsible for the compliance by Maxam with the terms of the Amended and Restated Trust Agreement and the requirements of relevant legislation applicable to investment management, marketing and the offering of Units.

Maxam has established appropriate policies, procedures and guidelines to ensure the proper management of the Funds. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Funds while ensuring compliance with regulatory and corporate requirements.

Maxam markets the Funds to dealers. In doing so, Maxam requires its employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by the compliance officer.

Affiliated Entities

No person or company that is an affiliate of Maxam provides services to the Funds.

Policies and Practices

Derivative Instruments

The Funds may only invest in or use derivative instruments that are consistent with the investment objectives of the Funds. Investing in and using derivative instruments are subject to certain risks. The Funds may only make use of "specified derivatives" within the meaning of Canadian securities regulatory requirements, which include clearing corporation options, futures contracts, options on futures, over-the-counter options, forward contracts, debt-like securities and listed warrants. The Funds may invest in or use such specified derivatives for hedging purposes and for non-hedging purposes as permitted by Canadian securities regulators if cash and securities are set aside to cover the positions. The Funds may only invest in or use derivative investments that are consistent with the investment objectives of the Funds.

The Funds may use derivatives with the intention to offset or reduce a risk associated with an investment or group of investments. These risks include currency value fluctuations, stock market risks and interest rate changes. In addition, the Funds may use derivatives rather than direct investments to reduce transaction costs, achieve greater liquidity, and create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. The Funds may seek to enhance the returns to the Funds through the use of derivatives, including by seeking to reduce the potential for loss or by accepting a more certain lower return rather than seeking a less certain higher potential return. Derivatives may be used by the Funds to position themselves so that they may profit from declines in financial markets.

A Fund may also: (i) write exchange or over-the-counter put or call options if the Fund holds and continues to hold, as long as the position remains open, an equivalent quantity of the underlying interest, or a right or obligation to acquire or sell, as the case may be, such underlying interest, together with any required amount of cash or securities; and (ii) use for non-hedging purposes futures, forward contracts and debt-like securities that have a component that is a long position in a forward contract if cash and securities are set aside to cover the positions. Other than the foregoing, the Funds have not adopted any written policies or procedures setting out the objectives and goals for derivatives trading.

The portfolio managers are responsible for managing the risk associated with the use of derivatives. In addition, the portfolio managers ensure adequate diversification, liquidity, investment quality and any forthcoming liabilities/redemptions of the Funds. No stress testing is conducted specifically with respect to the derivative positions maintained by the Funds. However, the portfolio managers do perform a review of risk exposure on the Funds. At this time, the Manager has not imposed specific trading limits on derivative trading beyond the limits on derivative trading established under NI 81-102 for alternative mutual funds. The Manager will review at least annually the policies and procedures described above to ensure that the risks associated with the use of derivatives are being properly managed. For additional details about how the Funds may engage in these transactions see "*Derivative Risk*".

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Funds may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to earn additional income. The Funds may enter into these transactions only as permitted under securities law.

Securities lending involves lending portfolio securities held by the Funds for a set period of time to willing, qualified borrowers in exchange for a fee and a form of acceptable collateral. In lending its securities, a Fund is subject to the risk that the borrower may not fulfill its obligations, leaving the Fund holding collateral worth less than the securities they have loaned, resulting in a loss to the Fund. In the event of bankruptcy of the other party to the repurchase agreement, a Fund could experience delays in receiving payment.

Repurchase agreements involve a Fund selling a security at one price and concurrently agreeing to buy it back from the buyer at a fixed price. A Fund cannot place more than 50% of the net assets of the Fund at risk under repurchase agreements, unless permitted by the Canadian securities regulatory authorities to invest a greater amount. Investments in repurchase agreements may be subject to certain risks. In the event of bankruptcy of the other party to the repurchase agreement, a Fund could experience delays in receiving payment. However, we attempt to minimize the risk of loss to the Funds by having risk management policies.

Reverse repurchase agreements involve a Fund buying portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. Any reverse repurchase agreement entered into by a Fund must have a term of not more than 30 days, unless extended or renewed by consent of both the seller and the Fund.

The risks associated with these transactions will be managed by requiring that the Funds enter into such transactions with well-established Canadian and foreign brokers, dealers and institutions. Each day, the Funds will determine the market value of both the securities loaned under a securities lending transaction or sold under a repurchase transaction and the cash or collateral held for such transactions. If on any day the market value of the cash or collateral is less than 102% of the market value of the security sold (for a repurchase transaction), cash loaned (for a reverse repurchase transaction) or security loaned (for a securities lending transaction), on the next day the counterparty will be required to provide additional cash or collateral to the Funds to make up the shortfall. The Funds cannot lend more than 50% of the total value of their assets through securities lending or repurchase transactions.

The portfolio managers are responsible for managing the risk associated with the use of securities lending, repurchase and reverse repurchase transactions. In addition, the portfolio managers ensure adequate diversification, liquidity, investment quality and any forthcoming liabilities/redemptions of the Funds. No stress testing is conducted specifically with respect to the securities lending, repurchase and reverse repurchase transactions by the Funds. However, the portfolio managers do perform a review of risk exposure on the Funds. The Manager will review at least annually the policies and procedures described above to ensure that the risks associated with securities lending, repurchase and reverse repurchase transactions are being properly managed. For additional details about how the Funds may engage in these transactions see "*Securities Lending, Repurchase and Reverse Repurchase Transactions Risk*".

Risk Management

Various measures to assess risk are used including mark to market security valuation, fair value accounting and monthly reconciliations of security positions and weekly reconciliations of cash positions. Compliance monitoring of the Funds' portfolios is ongoing. The Funds are priced daily which ensures that performance accurately reflects market movements.

Short Term Trades

The interest of Fund investors and the Manager's ability to manage Fund investments may be adversely affected by excessive short-term trading because, among other things, these types of trading activities can dilute the value of Fund securities, can interfere with the efficient management of the Funds' portfolio and can result in increased brokerage and administrative costs. The Funds have no written policies or procedures for monitoring, detection or deterrence of short-term trades of mutual fund securities by investors, except in relation to requests for redemption.

For the Maxam Arbitrage Fund, if you redeem your Units within 30 days of purchase, at the sole discretion of the Manager, you may be charged a short-term trading fee of 2% of the net asset value ("**NAV**") of the Units being redeemed. This amount is charged on behalf of, and is paid to, the Maxam Arbitrage Fund.

For the Maxam Diversified Strategies Fund, if you redeem your Units within six months of purchase, at the sole discretion of the Manager, you may be charged a short-term trading fee of 3% of the NAV of the Units being redeemed. This amount is charged on behalf of, and is paid to, the Maxam Diversified Strategies Fund.

Proxy Voting Policies and Procedures

Maxam, as manager of the Funds, has established policies and procedures in relation to voting on matters for which a Fund receives, in its capacity as securityholder, proxy materials for a meeting of securityholders of an issuer. Under the guidelines, the primary responsibility of Maxam in respect of proxy voting is to maximize positive economic effect on a Fund's value and to protect the Fund's rights as a shareholder in the best interests of the Fund. The guidelines include discussion regarding particular matters brought to a vote but the guidelines are not exhaustive. Maxam may depart from the guidelines on specific matters addressed in the policy where Maxam believes it is necessary to do so in the best interests of a Fund and its securityholders. A Fund is considered to have received a solicitation at the time they receive notice at their office. In the event Maxam does not receive a solicitation within sufficient time to execute a vote or the proxy is not submitted to the issuer in the time required, a Fund will not be able to vote on the matters solicited. The policies and procedures that the Funds follow when voting proxies relating to portfolio securities are available on request, at no cost, by e-mailing us at info@maxamcm.com or by writing to us at:

Maxam Capital Management Ltd.
330 – 609 Granville Street, P.O. Box 10033
Vancouver, British Columbia, V7Y 1A1

In the event that a vote presents a conflict between the interests of Unitholders and those of the Manager, an affiliate or associate of the Funds, or an affiliate or associate of the Manager, the proxy voting guidelines instruct the Manager to vote in the best interests of the Unitholders and consistent with the Funds' stated investment strategies and mandate.

The following are the guidelines on commonly raised matters:

- **Elections of Directors:** Unless there is a proxy fight for seats on the board or we determine that there are other compelling reasons for withholding votes for directors, we will vote in favour of the management proposed slate of directors. We may withhold votes for directors who fail to act on key issues, who fail to regularly attend board meetings or for any director nominee deemed to be an insider who also serves on the board's audit or compensation committees.

- **Appointment of Auditors:** We believe that the company remains in the best position to choose the auditors and will generally support management's recommendation. We may vote against the appointment of auditors if the fees for non-audit related services are disproportionate to the total audit fees paid by the company or there are other reasons to question the independence of the company's auditors.

- **Changes in Capital Structure:** Changes in a company's charter, articles of incorporation or by-laws are often technical and administrative in nature. Absent a compelling reason to the contrary, we will cast our votes in accordance with the company's management on such proposals. However, we will review and analyze on a case-by-case basis any non-routine proposals that are likely to affect the structure and operation of the company or have a material economic effect on the company.

- **Corporate Restructures, Mergers and Acquisitions:** We believe proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, we will analyze such proposals on a case-by-case basis, considering also the views of the research analysts that cover the company.

- **Proposals Affecting Shareholder Rights:** We believe that certain fundamental rights of shareholders must be protected. We will generally vote in favour of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights. However, when analyzing such proposals we will weigh the financial impact of the proposal against the impairment of shareholder rights.

- **Corporate Governance:** We recognize the importance of good corporate governance in ensuring that management and the board of directors fulfill their obligations to the shareholders. We favour proposals promoting transparency and accountability within a company.

- **Anti-Takeover Measures:** We believe that measures that impede takeovers or entrench management not only infringe on the rights of shareholders but may also have a detrimental effect on the value of the company. We will generally oppose proposals, regardless of whether they are advanced by management or shareholders, the purpose or effect of which is to entrench management or dilute shareholder ownership. Conversely, we support proposals that would restrict or otherwise eliminate anti-takeover measures that have already been adopted by corporate issuers.

- **Executive Compensation:** We believe that company management and the compensation committee of the board of directors should, within reason, be given latitude to determine the types and mix of compensation and benefit awards offered. Whether proposed by a shareholder or management, we will review proposals relating to executive compensation plans on a case-by-case basis to ensure that the long-term interests of management and shareholders are properly aligned. We will analyze the proposed plans to ensure that shareholder equity will not be excessively diluted, the option exercise price is not below market price on the date of grant and an acceptable number of employees are eligible to participate in such programs.

- **Social and Corporate Responsibility:** We will review and analyze on a case-by-case basis proposals relating to social, political and environmental issues to determine whether they will have a financial impact on shareholder value. We will vote against proposals that are unduly burdensome or result in unnecessary and excessive costs to the company. We may abstain from voting on social proposals that do not have a readily determinable financial impact on shareholder value.

Proxy Voting Record

As manager, Maxam will compile and maintain annual proxy voting records for the Funds for the annual periods beginning July 1 in a year and ending June 30 of the following year. After completion of an annual period, the proxy voting record will be made available on the Maxam website by August 31 following the end of each annual period. Maxam will deliver a copy of the Funds' proxy voting policies and guidelines and/or proxy voting record free of charge to Unitholders of the Funds upon request, for each request made after August 31 of that year.

Remuneration of Directors, Officers and Trustees

No remuneration, fees or reimbursement of expenses is paid by the Funds to the directors or executive officers of Maxam.

The Funds pay the fees and expenses of the IRC. The members of the IRC are paid an annual membership fee as follows: $5,000 per year payable to Christopher Wallace (Chair), $4,000 per year payable to Justin Kates and $4,000 per year payable to Theoni Pilarinos.

TD Securities Inc. and SGGG are remunerated at market rates for providing their services to the Funds and are reimbursed for expenses as they are incurred while discharging their respective functions as custodian and record-keeper.

During the financial year ended December 31, 2022, the Funds paid $8,583.75 (inclusive of GST) to Computershare Trust Company of Canada related to the discharge of its former function as trustee of the Maxam Diversified Strategies Fund. No amounts were paid or reimbursed to the Manager related to the discharge of its function as Trustee.

Material Contracts

The material contracts that have been entered into by the Funds are described below. Copies of these agreements may be inspected during regular business hours on any business day at the registered office of the Funds.

1. The Amended and Restated Trust Agreement dated August 22, 2022, entered into by Maxam, in its capacity as manager of the Funds, and Maxam, as trustee of the Fund. See the sections titled "*Responsibility for Fund Administration – Trustee*" and "*Name, Formation and History of the Funds*" for more information.

2. The Management Agreement dated August 22, 2022, between Maxam, in its capacity as manager of the Funds, and Maxam, as trustee of the Funds. See the section titled "*Responsibility for Fund Administration – Manager"* for more information.

3. The MAF Custody Agreement dated August 11, 2020, between Maxam, in its capacity as manager of the Maxam Arbitrage Fund, and TD Securities Inc., in its capacity as custodian of the Maxam Arbitrage Fund. See the section titled "*Responsibility for Fund Administration – Custodian*" for more information.

4. The MDSF Custody Agreement dated August 22, 2022, between Maxam, in its capacity as manager of the Maxam Diversified Strategies Fund, and TD Securities Inc., in its capacity as custodian of the Maxam Diversified Strategies Fund. See the section titled "*Responsibility for Fund Administration – Custodian*" for more information.

5. The services agreement dated August 11, 2020, among Maxam, in its capacity as manager of the Funds and on behalf of the Funds, and SGGG Fund Services Inc. See the section titled "*Responsibility for Fund Administration – Registrar*" for more information.

6. The MAF Brokerage Agreement dated August 11, 2020, among Maxam, in its capacity as manager of the Maxam Arbitrage Fund, and TD Securities Inc. See the section titled "*Responsibility for Fund Administration – Other Service Providers – Prime Broker*" for more information.

7. The MDSF Brokerage Agreement dated August 22, 2022, among Maxam, in its capacity as manager of the Maxam Diversified Strategies Fund and TD Securities Inc. See the section titled "*Responsibility for Fund Administration – Other Service Providers – Prime Broker*" for more information.

Legal Proceedings

As of the date of this simplified prospectus, there are no ongoing legal or administrative proceedings material to the Funds, nor are there any such proceedings known to be contemplated.

Designated Website

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

Valuation of Portfolio Securities

In calculating the NAV, each Fund values its assets as described below. We may deviate from these valuation practices in circumstances where this would be appropriate, for example, if a Fund has suspended the determination of its NAV. We have not exercised our discretion to deviate from the valuation principles described below in the past three years.

- Liquid assets (which includes cash on hand or on deposit, bills and demand notes, accounts receivable, prepaid expenses, cash dividends (including unpaid but declared dividends provided that the record date for such dividends is on or before the date of determination of the NAV) and interest accrued and not yet received) will be valued at their full face amount unless SGGG and the Manager determine that any such deposit, bill, demand note, accounts receivable, prepaid expense, cash dividend or interest amount is not worth the full face value, in which event the value shall be the fair value as determined by SGGG and the Manager.

- Securities, including index futures or index options, listed on a stock exchange or traded on an over-the-counter market will be valued at the closing sale price or, if there is no closing sale price, the average of the closing bid and closing asked price or lacking any recent sales or any record thereof, the latest available sale price or latest available bid price all as reported by any report in common use.

- Securities and other assets for which market quotations are not readily available or to which, in the opinion of the Manager, the above principles cannot be applied, will be valued at their fair value on the date of determination of the NAV in a manner determined by the Manager in its discretion.

- The value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Funds or by the Funds' predecessors in title or by law shall be the lesser of (i) the value thereof based on reported quotations in common use; and (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Funds' acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known.

- The value of any security which is a debt instrument shall be the last price at which the instrument traded on a valuation day. If no trades are reported then the valuation shall be the average of the closing bid and ask prices on a valuation day.

- Long positions in clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof.

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

- The value of a futures contract, or a forward contract, shall be the gain or loss with respect thereto that would be realized if, at the valuation time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest.

- Margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.

- All property of the Funds valued in a foreign currency and all liabilities and obligations of the Funds payable by the Funds in foreign currency shall be converted into Canadian funds by applying the rate of exchange obtained from the best available sources.

- The liabilities of the Funds shall be deemed to include all liabilities of the Funds of whatsoever kind and nature except liabilities represented by outstanding Units and, for greater certainty but without limitation, include:

  (i) all bills, notes and accounts payable;

  (ii) all administrative expenses accrued, including fees payable to Maxam;

  (iii) all obligations for the payment of money or property, including distributions of net income and net realized capital gains, if any, declared accrued or credited to Unitholders but not yet paid on the day before the day as of which the Unit value is being determined; and

  (iv) all allowances authorized or approved by the Funds for taxes (if any) or contingencies.

The value of any security or property to which, in the opinion of SGGG and the Manager, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as provided, or for any other reason) shall be the fair value thereof determined in such manner as SGGG and the Manager from time to time provide.

For the purpose of determining NAV at any time, Units of a Fund subscribed for will be deemed to be outstanding as of the time a subscription for Units is received by or on behalf of the Fund and the amount received or receivable by the Fund therefor will be deemed to be an asset of the Fund. Units for which an application for redemption has been received by a Fund will be deemed to be outstanding until (and not after) the close of business on the day as of which the NAV thereof is determined for the purpose of a redemption and thereafter, until paid, the NAV of such Units will be deemed to be a liability of the Fund.

For the purpose of the issuance and the redemption of Units of the Funds and for any distribution to Unitholders, the price, value or amount distributed by or paid to or by the Funds will be in Canadian funds and for the purpose of all necessary conversions of funds from foreign to Canadian currency, the rate of exchange obtained from the best available sources will be used.

Calculation of Net Asset Value

The Unit price of each Class (and each Sub-Class) of the Funds is called the NAV per Unit of such Class (or Sub-Class). SGGG calculates the Unit price of each Class (and each Sub-Class) of the Funds by:

- adding up the assets of the Funds and determining the share of the Class (or Sub-Class);

- subtracting the proportionate share of the Class (or Sub-Class) of the aggregate amount of expenses common to all Classes (and Sub-Classes);
- subtracting the expenses of the Funds that are specific to the Class (or Sub-Class); and
- dividing by the number of Units of the Class (or Sub-Class) held by Unitholders.

Under National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**"), the NAV of all public investment funds, including the Funds, must be calculated in accordance with International Financial Reporting Standards ("**IFRS**") for the purpose of the Funds' financial statements. In accordance with NI 81-106, the fair value of a portfolio security used to determine the unit value of a fund's securities for purchases and redemptions will be based on the valuation principles set out below, which are generally consistent with the valuation principles under IFRS.

Each of the Funds maintains a separate NAV for each Class of Units of the Fund, and each Fund may maintain a separate NAV for each Sub-Class, as if such Sub-Class were a separate fund. However, the assets of the Fund constitute a single pool for investment purposes.

We calculate the NAV of each Class of the Maxam Arbitrage Fund at the end of each business day. A business day is any day that the Toronto Stock Exchange ("**TSX**") is open.

We calculate the NAV of each Class (and Sub-Class) of the Maxam Diversified Strategies Fund at the end of each business day, or such other date or dates as may be determined by us from time to time. A business day is any day that the TSX is open.

The NAV and the NAV per Unit of the Maxam Arbitrage Fund will be made available at www.fundata.com at no cost. The NAV and NAV per Unit of the Maxam Diversified Strategies Fund will be made available at www.maxamcm.com at no cost.

Purchases, Switches And Redemptions

You may buy, switch, redeem or hold Units of the Funds through a registered representative or through any other distributor approved by us. In addition, in certain circumstances, you may buy, switch or redeem Units directly through us.

Classes of Units

Maxam Arbitrage Fund

The Maxam Arbitrage Fund may have an unlimited number of Classes of Units, Units of each Class may be further sub-divided into sub-classes, series or sub-series of Units (for ease of reference, the term "**Sub-Class**" is used to encompass sub-classes, series or sub-series of Units), and the Fund may issue an unlimited number of Units of each Class and each Sub-Class. We may elect to establish a new Sub-Class of a particular Class of Units on each date that Units of the Class are issued. The use of Sub-Classes in this manner enables us to more equitably charge performance fees. The Maxam Arbitrage Fund is currently offering Class A Units, Class F Units and Class I Units for purchase.

- Class A Units are available to all investors.

- Class F Units have lower fees than Class A Units and are usually only available to investors who have fee-based accounts with dealers who have signed an agreement with us. We do not pay trailer fees to dealers who sell Class F Units, which means we can charge a lower management fee. Your dealer is responsible for determining whether you are eligible to buy and continue to hold Class F Units. If you are no longer eligible to hold Class F Units your dealer is responsible for telling us to change your Units to Class A of the same funds or to redeem them.

- Class I Units are only available to certain investors who have entered into an agreement with us and meet certain other conditions. No management fees are charged to the Maxam Arbitrage Fund with respect to the Class I Units. Instead, each Class I investor negotiates a separate fee that is paid directly to us.

Class Af Founders Units and Class Ff Founders Units are not currently available for purchase. We may offer Class Af Founders Units and Class Ff Founders Units for purchase in the future. Class Ff Founders Units have lower fees than Class A Units and are usually only available to investors who have fee-based accounts with dealers who have signed an agreement with us. We do not pay trailer fees to dealers who sell Class Ff Founders Units. Your dealer is responsible for determining whether you are eligible to buy and continue to hold Class Ff Founders Units. If you are no longer eligible to hold Class Ff Founders Units, your dealer is responsible for telling us to change your Units to Class Af Founders of the same funds or to redeem them.

More information regarding the fees and expenses payable by the Maxam Arbitrage Fund and investors in the Maxam Arbitrage Fund and the compensation payable to dealers in connection with the sale of Units is set out in the sections below called "*Fees and Expenses*", "*Dealer Compensation*" and "*Dealer Compensation from Management Fees*". The money that you and other investors pay to purchase Units of any Class (or Sub-Class) is tracked in the Maxam Arbitrage Fund's administration records. However, all contributions to the Maxam Arbitrage Fund are combined in a single pool to create one portfolio for investment purposes.

Maxam Diversified Strategies Fund

The Maxam Diversified Strategies Fund may have an unlimited number of Classes of Units, Units of each Class may be further sub-divided into sub-classes, series or sub-series of Units (for ease of reference, the term "**Sub-Class**" is used to encompass sub-classes, series or sub-series of Units), and the Fund may issue an unlimited number of Units of each Class and each Sub-Class. We may elect to establish a new Sub-Class of a particular Class of Units on each date that Units of the Class are issued. The use of Sub-Classes in this manner enables us to more equitably charge performance fees. The Maxam Diversified Strategies Fund is currently offering Class A, Class F, Class I and Class M Units for purchase.

- Class A Units are available to investors that purchase Units through authorized dealers on a sales charge basis. The sales charges payable by you on Class A Units purchased pursuant to the sales charge option are described below.

- Class F Units are available to investors that purchase Units through authorized dealers. There are no sales commissions with respect to Class F Units.

- Class I Units are generally available only for institutional or other large investors who have entered into an agreement with us and meet certain other conditions. No management or performance fees are charged to the Fund with respect to Class I Units. Instead, each investor in Class I Units negotiates a separate management fee and performance fee that is paid directly to us.

- Class M Units are available to investors that purchase Units directly from Maxam.

Class B Units are no longer available for purchase. Class X Units are no longer offered, but may be available in the future to investors that purchase Units directly from Maxam.

More information regarding the fees and expenses payable by the Maxam Diversified Strategies Fund and investors in the Maxam Diversified Strategies Fund and the compensation payable to registered dealers in connection with the sale of Units is set out in the sections below called "*Fees and Expenses*", "*Dealer Compensation*" and "*Dealer Compensation from Management Fees*". The money that you and other investors pay to purchase Units of any Class (or Sub-Class) is tracked in the Maxam Diversified Strategies Fund's administration records. However, all contributions to the Maxam Diversified Strategies Fund are combined in a single pool to create one portfolio for investment purposes.

How to Buy Units of the Funds

Maxam Arbitrage Fund

You can buy Class A Units, Class F Units and Class I Units of the Maxam Arbitrage Fund through authorized dealers, or through any other distributor approved by Maxam. Investors in Class A Units of the Maxam Arbitrage Fund may pay an initial sales charge. Initial sales charges are negotiable between you and your registered representative. The maximum initial sales charge is 5% of the total amount invested. The sales charges payable by you on Class A Units of the Maxam Arbitrage Fund are described below in the section called "*Fees and Expenses Payable Directly by You – Sales Charges*". There are no sales commissions with respect to Class F Units. Class Af Founders Units and Class Ff Founders Units of the Maxam Arbitrage Fund are not currently available for purchase. We may offer Class Af Founders Units and Class Ff Founders Units for purchase in the future.

When you buy Units in the Maxam Arbitrage Fund, you buy them at the NAV of the Units of the Class of the Maxam Arbitrage Fund calculated as of the business day on which your purchase is made, as long as your purchase order is received on or before 4:00 p.m. (Eastern Standard Time) on that day (or the next business day, as applicable). If your order is received after 4:00 p.m. on a business day, it will be processed on the next business day based on that day's NAV. If the TSX's trading hours are shortened on a given day or for other regulatory reasons, we may change the 4:00 p.m. deadline. The purchase price per Unit of the Maxam Arbitrage Fund will be the NAV per Unit of that Class of Units next determined after receipt by the Maxam Arbitrage Fund of your purchase order. SGGG, as record-keeper and fund administrator, calculates a separate NAV for each Class of Units of the Maxam Arbitrage Fund in Canadian dollars. See the section above called "*Calculation of Net Asset Value*".

The minimum investment amounts for the Maxam Arbitrage Fund are set out below. We may waive these amounts in our sole discretion.

	Initial Investment	**Additional Investment**
Class A, F, Af Founders and Ff Founders	$1,000	$50
Class I	Negotiable	Negotiable

We have the right to accept or reject your order for Units of the of the Maxam Arbitrage Fund within one business day of receiving it. We reserve the right to reject any purchase order. If we accept your order, you will receive a written confirmation from your dealer or other distributor through whom you purchased your Units. If we reject your order, the Trustee will return any money you have sent without interest.

Maxam Diversified Strategies Fund

You can buy Class A Units of the Maxam Diversified Strategies Fund through an authorized dealer on a sales charge basis. The sales charges payable by you on Class A Units purchased pursuant to the sales charge option are described below in the section called "*Fees and Expenses Payable Directly by You – Sales Charges*". You can buy Class F Units of the Maxam Diversified Strategies Fund through an authorized dealer. There are no sales commissions with respect to Class F Units. Class I Units of the Maxam Diversified Strategies Fund are generally available only for institutional or other large investors who have entered into an agreement with us and meet certain other conditions. No management or performance fees are charged to the Maxam Diversified Strategies Fund with respect to Class I Units. Instead, each investor in Class I Units negotiates a separate management fee and performance fee that is paid directly to us. Class M and Class X Units of the Maxam Diversified Strategies Fund are available to investors that purchase Units directly from Maxam.

When you buy Units in the Maxam Diversified Strategies Fund, you buy them at the NAV of the Units of the Class of the Maxam Diversified Strategies Fund calculated as of the last business day of the month in which your purchase is made, as long as your purchase order is received on or before 4:00 p.m. (Eastern Standard Time) on the last business day of the month in which the purchase is made. If your order is received after 4:00 p.m. on the last business day of the month, it will be processed on the last business day of the following month based on the NAV calculated on the last business day of the following month. If the TSX's trading hours are shortened on a given day or for other regulatory reasons, we may change the 4:00 p.m. deadline.

The purchase price of the Units will be based on the applicable Class net NAV determined as at the close of business on the last business day of the month in which we accept your subscription. See the section above called "*Calculation of Net Asset Value*".

Any purchase proceeds submitted in connection with a purchase order for Units of the Maxam Diversified Strategies Fund that are received by us prior to the last business day of the month will be held until the last business day of the month, at which time the Units subscribed for will be issued (if we have accepted your purchase order). These funds will not be segregated for your account. You will not be entitled to any interest on any purchase proceeds delivered to us prior to the last business day of the month. Any interest earned on such funds will belong to the Maxam Diversified Strategies Fund.

The minimum investment amounts for the Maxam Diversified Strategies Fund are set out below. We may waive these amounts in our sole discretion.

	Initial Investment	**Additional Investment**
Class A and F	$1,000	$50
Class B, M and X	$500,000	$10,000
Class I	Negotiable	Negotiable

We have the right to accept or reject your order for Units of the Maxam Diversified Strategies Fund at any time prior to the last business day of the month. We reserve the right to reject any purchase order. If we accept your order, you will receive a written confirmation from your dealer or other distributor through whom you purchased your Units. If we reject your order, the Trustee will return any money you have sent without interest.

General

You must have reached the age of majority in your province or territory to buy Units in a mutual fund. You may hold Units in trust for a minor. Payment for Units must be made within two business days of the date of your request (or before such other deadline as we may establish from time to time in accordance with applicable securities laws). You and your registered representative, or other approved distributor, are responsible for the completeness and accuracy of your purchase order. The Trustee must receive full and proper payment within two business days of processing your order (or before such other deadline as we may establish from time to time in accordance with applicable securities laws). If full and proper payment is not received within that time, or if the payment is returned or dishonoured, your Units will be redeemed on the next valuation day. If the proceeds are greater than the amount you owe, the Funds will keep the difference. If the proceeds are less than the amount you owe, your dealer will pay the difference to the applicable Fund, and you may be responsible to reimburse your dealer depending upon your arrangements with your dealer. If you purchase Units of a Fund through a dealer, the dealer may require you to compensate it for any losses the dealer suffers if you fail to complete your purchase of Units. Units may be registered with the record-keeper either directly in your name or in a nominee name, including the name of your dealer. No certificates will be issued.

How to Redeem Units of the Funds

Maxam Arbitrage Fund

To redeem Units of the Maxam Arbitrage Fund, contact your registered representative or other approved distributor through whom you purchased your Units, who may ask you to complete a redemption request form. The redemption price per Unit of the Maxam Arbitrage Fund is based on the Fund's NAV per Unit of that Class of Units, next determined after receipt by the Fund of your redemption order. Units of the Maxam Arbitrage Fund can be redeemed on a daily basis on or before 4:00 p.m. (Eastern Standard Time) on each business day. A business day is any day that the TSX is open. If your redemption request is received on or before 4:00 p.m. (Eastern Standard Time) on a day on which the TSX is open for business or before the TSX closes for the day, whichever is earlier, the redemption value will be calculated as of that day. If your redemption request is received after that time, the redemption value will be calculated as of the next day on which the TSX is open for business.

If you hold your Units directly with us, provided all necessary documentation has been submitted, the Fund will pay you the proceeds of a redemption request within two business days after the next occurring valuation date after receiving your redemption request. The Trustee will, on behalf of the Fund, mail you a cheque unless you choose to have the proceeds delivered by wire to your bank account (you may have to pay a fee to your bank or financial institution), or by electronic funds transfer ("**EFT**") into your bank account. If you choose payment by EFT, you need to accompany your redemption request with an imprinted void cheque so we may deposit the funds directly into your bank account. If you hold your Units through a dealer, upon receipt of all necessary documentation, the Trustee will, on behalf of the Fund, send the proceeds to your dealer to allocate the proceeds payment to you accordingly.

You pay no sales charge when you redeem Class A, F, Af Founders, Ff Founders or I Units of the Maxam Arbitrage Fund. Maxam, at its sole discretion, may charge a short-term trading fee if you redeem or switch your Units within 30 days of buying them. Please see the section below called "*Short-Term Trading*" and "*Switch Fees*".

Maxam Diversified Strategies Fund

To redeem Units of the Maxam Diversified Strategies Fund, contact your registered representative or other approved distributor through whom you purchased your Units, who may ask you to complete a redemption request form. The redemption price per Unit of the Maxam Diversified Strategies Fund is based on the Fund's NAV per Unit of that Class (or Sub-Class) of Units, next determined after receipt by the Fund of your redemption order. Units of the Maxam Diversified Strategies Fund can be redeemed on a monthly basis. You may redeem all or a portion of your Units of the Maxam Diversified Strategies Fund as of the last business day of the month if you give us at least 15 business days prior written notice. A business day is any day that the TSX is open. The redemption price of your Units will be the Class NAV per Unit determined as at the close of business on the redemption date, less the applicable redemption charge described below.

If you hold your Units directly with us, provided all necessary documentation has been submitted, the Fund will pay you the proceeds of a redemption request within 15 business days after the next occurring valuation date after receiving your redemption request. The Trustee will, on behalf of the Fund, mail you a cheque unless you choose to have the proceeds delivered by wire to your bank account (you may have to pay a fee to your bank or financial institution), or by EFT into your bank account. If you choose payment by EFT, you need to accompany your redemption request with an imprinted void cheque so we may deposit the funds directly into your bank account. If you hold your Units through a dealer, upon receipt of all necessary documentation, the Trustee will, on behalf of the Fund, send the proceeds to your dealer within 15 business days after the next occurring valuation date to allocate the proceeds payment to you accordingly.

If you redeem Class A, Class B, Class F, Class M or Class X Units within six months of the date of purchase, you may be charged a 3% short term trading fee by the Fund. Please see the sections below called "*Short-Term Trading*" and "*Switch Fees*".

Redemption Suspensions

In exceptional circumstances, we may temporarily suspend your right to redeem your Units or your right to payment for Units previously tendered for redemption. Canadian securities regulators allow us to suspend your right to redeem:

- if normal trading is suspended in any market where portfolio securities or specified derivatives are traded which represent more than 50% of the Fund's total asset value if those portfolio securities or specified derivatives are not traded on another market or exchange that represents a reasonable and practical alternative; and

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

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your Units at the NAV next determined after the suspension has been lifted. During any period of suspension of redemption rights, we will not accept orders for Units.

Short-Term Trading

The interests of Unitholders and the ability of the Funds to manage their investments may be adversely affected by inappropriate or excessive short-term trading because, among other things, these types of trading activities can dilute the value of Funds' securities, can interfere with the efficient management of the Funds' portfolios and can result in increased brokerage and administrative costs. We have adopted policies and procedures intended to detect and deter short-term trading. For example, we may cancel or refuse to process purchases if we believe that you have engaged in excessive short-term trading.

If you redeem your Units of the Maxam Arbitrage Fund within 30 days of purchase, the Manager may, at its sole discretion, charge a short-term trading fee of 2% of the NAV of the Units being redeemed. For the purposes of determining whether short term trading has occurred, Units will be considered to be redeemed on a first-in first-out basis. This amount is charged on behalf of, and is paid to, the Fund. See "*Fees and Expenses*" below.

If you redeem Class A, Class B, Class F, Class M or Class X Units of the Maxam Diversified Strategies Fund within six months of the date of purchase, you may be charged a 3% short term trading fee by the Fund. For the purposes of determining whether short term trading has occurred, Units will be considered to be redeemed on a first-in first-out basis. The purpose of the early redemption charge is to discourage short-term investors from acquiring Units in the Fund. Maxam retains the right to apply or waive the short term trading fee in its sole discretion. See "*Fees and Expenses*" below.

How to Switch Your Units

In our discretion, you can switch between different Classes of Units. However, we do not initiate any such switches. Switching between Classes of a particular Fund is called a reclassification. A reclassification of your Units between Classes of a Fund is not a disposition for tax purposes. If you switch between Funds, it will involve a disposition of your units for income tax purposes and may result in a capital gain or capital loss, which will have tax implications if you hold your Units outside of a Registered Plan. See the section titled "*Income Tax Considerations*" for more details. We do not charge switch fees. If you use a registered dealer to effect the switch, the dealer may charge you a fee. Please see the section called "*Fees and Expenses Payable Directly by You – Switch Fees*".

Fees and Expenses

General

The following describes the fees and expenses 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 pay some of these fees and expenses, which will therefore reduce the value of your investment in the Funds.

Typically, a Class of the Funds that pays more compensation to a dealer has a higher management fee than a Class of the Funds which pays less compensation to your dealer.

It is up to you and your registered representative, or other approved distributor through whom you purchase your Units, to decide on an appropriate Class of the Funds. The Class chosen will determine the amount of compensation paid to your dealer. If you purchase through a dealer, you should understand that not all dealers, including your registered representative's sponsoring dealer, make all Classes available. See the section titled "*Dealer Compensation*" for more information.

Provided that the change is permitted under the Amended and Restated Trust Agreement, we may change the management fee of the Funds, or introduce or change the basis of the calculation of any other fee or expense that is charged to Funds, after 60 days' advance notice to Unitholders. We will provide you with written notice of such change at least 60 days before the change becomes effective.

If the Funds holds securities of other mutual funds, there are fees and expenses payable by the other mutual funds in addition to the fees and expenses payable by the Funds. No management fees or incentive fees are payable by the Funds that, to a reasonable person, would duplicate a fee payable by the other mutual fund for the same service. No sales fees or redemption fees are payable by the Funds in relation to their purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the Manager or an affiliate or associate of the Manager. No sales fees or redemption fees are payable by the Funds in relation to their purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in the Funds.

This table 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 reduce the value of your investment in the Funds.

Fees and Expenses Payable by the Funds

Management Fees

Maxam is the manager of the Funds and is responsible for managing the business and affairs of the Funds, including providing all necessary investment management, clerical, administrative and operational services. In this role, Maxam's duties include: (i) investment management, including portfolio security selection and investment; (ii) determination of investment policies, practices, objectives and investment strategies applicable to the Funds, including restrictions on investments; (iii) administrative and other services required by the Funds in relation to subscriptions and notices of redemption or transfer; (iv) the offering of Units of the Funds for sale to prospective purchasers including the authority to enter into arrangements regarding the distribution and sale of Units; (v) appointment of Fund service providers, including auditors, bankers, valuation service providers, recordkeeping service providers and custodians; (vi) establishment of general matters of policy; (vii) authorization, negotiation and execution of contractual arrangements, including without limitation any loan agreements and supporting documentation relating to the Funds; and (viii) establishment and maintenance of registers and related ledgers, records and information relative to the Units of the Funds held by all Unitholders.

Maxam Arbitrage Fund

As consideration for the services provided by Maxam, the Maxam Arbitrage Fund pays Maxam a management fee, monthly in arrears. The management fee for the Fund is calculated daily, on each business day, as a percentage of the NAV of each Class of Units that comprise the Fund. The management fee may vary from Class to Class and will be deducted as an expense of the Fund in the calculation of the net profits of the Fund. The management fee for each of the existing Classes of Units is set out below.

Class A: 1.90% per annum (calculated daily) of the aggregate NAV of the Class A Units on the preceding business day.

Class F: 0.90% per annum (calculated daily) of the aggregate NAV of the Class F Units on the preceding business day.

Class Af Founders: 1.45% per annum (calculated daily) of the aggregate NAV of the Class A Units on the preceding business day.

Class Ff Founders: 0.45% per annum (calculated daily) of the aggregate NAV of the Class F Units on the preceding business day.

Class Af Founders Units and Class Ff Founders Units are not currently available for purchase. We may offer Class Af Founders Units and Class Ff Founders Units for purchase in the future. No management fees are charged to the Maxam Arbitrage Fund with respect to the Class I Units. Instead, each Class I investor negotiates a separate fee that is paid directly to us. The maximum annual management fee for the Class I Units will not exceed the annual management fee for the Class A Units of the Maxam Arbitrage Fund.

Maxam Diversified Strategies Fund

As consideration for the services provided by Maxam, the Maxam Diversified Strategies Fund pays Maxam a monthly management fee, based on the NAV of each Class of Units of the Fund on the last business day of the preceding month. The management fee may vary from Class to Class and will be deducted as an expense of the Fund in the calculation of the NAV of the Fund. The management fee for each of the existing Classes of Units is set out below.

Class A: 1/12 of 2% (2% per annum) of the NAV of the Class A Units on the last business day of each month.

Class B: 1/12 of 2% (2% per annum) of the NAV of the Class B Units on the last business day of each month.

Class F: 1/12 of 1% (1% per annum) of the NAV of the Class F Units on the last business day of each month.

Class M: 1/12 of 2% (2% per annum) of the NAV of the Class M Units on the last business day of each month.

Class X: 1/12 of 2% (2% per annum) of the NAV of the Class X Units on the last business day of each month.

The Maxam Diversified Strategies Fund does not pay a management fee with respect to Class I Units. The management fee paid by investors in Class I Units is negotiated with us and paid directly by each investor and not by the Maxam Diversified Strategies Fund.

Management fees are subject to applicable taxes, including GST/HST. The costs of providing certain of these services are regarded as operating expenses of the Funds and are paid by the Fund in addition to the management fee paid by the Funds to the Manager. For further information, see below under "*Operating Expenses*". The remaining expenses relating to the services provided by the Manager to the Funds are paid by the Manager from the management fee the Manager receives from the Funds.

Performance Fees

In addition to the management fee, the Manager receives a performance fee for its services as portfolio adviser to the Funds.

Maxam Arbitrage Fund

The Manager receives a performance fee in respect of Class A, Class Af Founders, Class F and Class Ff Founders Units, which is calculated and accrued each business day during the relevant Performance Fee Determination Period (as defined below).

The Maxam Arbitrage Fund will pay the Manager a performance fee plus GST/HST and any other applicable taxes for each Performance Fee Determination Period equal to 15% of the Net Profit (as defined below) of Class A, Class Af Founders, Class F and Class Ff Founders Units, subject to the high watermark (as defined below).

The "**Performance Fee Determination Period**" means (i) each calendar quarter for those investors that remain in the Fund at the end of each quarterly period, and (ii) the period from the beginning of a calendar quarter until the redemption date for those investors that redeem prior to the end of a calendar quarter.

"**Net Profit**" means, in respect of each Class of Units of the Fund for any Performance Fee Determination Period, the amount calculated by deducting the relevant Class NAV per Unit on the first business day of that Performance Fee Determination Period for the applicable Class from the Class NAV per Unit on the last business day of that Performance Fee Determination Period for that Class and multiplying the resulting amount by the total number of Units of such Class outstanding at the close of business on the last business day in that Performance Fee Determination Period.

No performance fee shall be paid in respect of a Class (or Sub-Class) unless the Class NAV per Unit for that Class (or Sub-Class) exceeds the highest Class NAV per Unit for that Class in respect of which a performance fee has been previously paid for that Class (or Sub-Class) (referred to as the "**high watermark**" for the Fund) and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the high watermark for the Fund.

Investors in Class I Units may negotiate a performance fee (in accordance with applicable regulatory requirements) to be paid by the investor to the Manager that is different than the one described above or may pay no performance fee at all, as determined by the Manager in its discretion.

Maxam Diversified Strategies Fund

The Manager receives a performance fee in respect of each Class of Units of the Maxam Diversified Strategies Fund. The performance fee is calculated at the Unit level but is charged to the Fund. The performance fees is calculated monthly on the last business day of each month and carried as a liability of the Maxam Diversified Strategies Fund until paid to us at the end of each calendar quarter, or on redemption of Units in respect of which such performance fees are payable. Performance fees are subject to applicable taxes, including GST and HST.

Class B and Class X: The Fund will pay us a performance fee equal to 20% of the increase in the NAV of each Class or Sub-Class of Class B or Class X Units over the relevant period in excess of a 5% annualized minimum increase, subject to the high watermark (described below) that ensures that any decline in the NAV of the Class or Sub-Class has to be recouped before performance fees will be charged in respect of the Class or Sub-Class in any subsequent period. The high watermark for a Class B or Class X Sub-Class is the greater of:

(A) the purchase price of the Sub-Class; or

(B) if a performance fee has been paid in respect of the Sub-Class, the NAV of the Sub-Class following the last date on which a performance fee was so paid.

Immediately following payment of performance fees to Maxam, we may redesignate Units of one or more Sub-Classes as Units of that same Class (for example, by redesignating all outstanding Sub-Classes of Class X Units as "Class X" Units), provided that all such redesignated Sub-Classes have achieved their high watermark. This redesignation will occur on a pro-rata basis, based on the relative NAV of each applicable Sub-Class. The use of Sub-Classes and the periodic redesignation of outstanding Sub-Classes in this manner enables us to more equitably charge performance fees based on the actual performance attained since the date on which the Units were purchased.

Class I: The Maxam Diversified Strategies Fund does not pay a performance fee with respect to Class I Units. The performance fee paid by investors in Class I Units is negotiated with Maxam and paid directly by each investor and not by the Fund.

Class A, Class F and Class M: The Maxam Diversified Strategies Fund will pay Maxam a performance fee equal to 20% of the increase in the NAV of Class A, Class F and Class M Units over the previous high watermark (described below) for each applicable Class of Units. The performance fee for Class A, Class F and Class M Units is accrued monthly and is payable for each calendar quarter end, provided that the high watermark is exceeded, as referred to below. Upon the redemption of Class A, Class F or Class M Units, the accrued portion of the performance fee allocated to the redeemed Units will be payable by the Fund following the end of the month in which the Units were redeemed.

The highest quarter-end NAV per Unit for Class A, Class F and Class M Units from time to time establishes a high watermark for Class A, Class F and Class M Units, which must be exceeded in subsequent quarters for the performance fee applicable to Class A, Class F and Class M Units to be payable.

Operating Expenses

The Funds are responsible for the payment of all fees and expenses relating to its operation, including registrar and transfer agent fees and expenses, audit, accounting, administration (other than advertising and promotional expenses which are paid for by Maxam), record keeping and legal fees and expenses, trustee, custody and safekeeping charges, all costs and expenses associated with the qualification for sale of Units (except for formation and organization costs and costs associated with the preparation and filing of this simplified prospectus), providing financial and other reports to Unitholders and convening and conducting meetings of Unitholders, all taxes, assessments or other governmental charges levied against the Funds, interest, all brokerage and other fees relating to the purchase and sale of the assets of the Funds, and the fees and expenses of IRC.

For the period of time from inception to December 31, 2023, the Manager capped certain operating expenses relating to the Maxam Arbitrage Fund, including legal, accounting, trustee, regulatory, IRC, administrative and recordkeeping charges collectively at an annual rate of 30 basis points by absorbing any expenses above this amount. The Manager may adjust or remove this cap in the future which could affect the amount of operating expenses paid by the Fund.

The fees and expenses of the IRC include annual fees payable to each member of the IRC ($5,000 per year payable to Christopher Wallace, $4,000 per year payable to Justin Kates and $4,000 per year payable to Theoni Pilarinos). Maxam will pay for all expenses associated with the identification and management of the Funds' investments (other than direct expenses such as interest charges on margin borrowings and brokerage fees, which are the responsibility of the Funds).

Fees and Expenses Payable Directly by You

Sales Charges

Maxam Arbitrage Fund

Investors in Class A Units and Class Af Units may pay an initial sales charge of 0% to 5% of the amount you buy. You and your representative negotiate the amount you pay up to a maximum of 5%. The Manager will deduct the sales charge from the amount you invest and pay it to your representative's firm as a commission. You do not pay any sales charges for purchases of Class F or Class I Units. Your registered dealer, or other approved distributor, may charge you a commission.

Maxam Diversified Strategies Fund

Investors in Class A or Class B Units may pay an initial sales charge of 0% to 5% of the amount you buy. Any such fee will be negotiated between the dealer and the investor and will be payable by the investor to the dealer. The Manager will deduct the sales charge from the amount you in and only the net amount is invested. Your registered dealer, or other approved distributor, may charge you a commission.

Switch Fees

We do not charge any fees for switches between Classes of Units in the Funds. If you use a registered dealer to effect the switch, the dealer may charge you a fee.

Short-Term Trading Fees	***Maxam Arbitrage Fund*** If you redeem or switch your Units within 30 days of purchase, the Manager may, at its sole discretion, charge a fee equal to 2% of the NAV of the Units being redeemed or switched. ***Maxam Diversified Strategies Fund*** If you redeem Class A, Class B, Class F, Class M or Class X Units within six months of the date of purchase, you may be charged a 3% short term trading fee.
Other Fees and Expenses	There are no other fees or expenses payable in connection with an investment in Units of the Funds.

Management Fee Rebate or Distribution Programs

The Manager may, in its sole discretion, agree to charge a reduced management fee as compared to the fee that the Manager otherwise would be entitled to charge the Funds with respect to investments in the Funds by certain Unitholders. An amount equal to the difference between the management fee otherwise chargeable and the reduced fee payable by the Funds will be distributed by the Funds to affected Unitholders as management fee distributions. The rate of management fee distributions may be negotiated by investors with the Manager, on a case by case basis. Factors considered by the Manager may include, among any other factors deemed relevant to that specific investor, the size and expected length of the investment. The timing of payment or reinvestment is also negotiated with such investors. Management fee distributions will be paid first out of net income and net realized capital gains of the Funds and then out of capital, and will be automatically reinvested in additional Units. The income tax consequences of management fee distributions made by a Fund generally will be borne by the Unitholders receiving these distributions. See below under "*Income Tax Considerations*" for more information.

Dealer Compensation

Commissions – When you purchase Units through an authorized dealer, your dealer may charge you a commission, sales charge or service fee. These charges are negotiated between you and your dealer.

Trailing Commissions We Pay to Your Dealer – Part of the management fees that the Funds pay is used to compensate dealers or other approved distributors for the services provided in connection with your investment in Units and is payable as a trailing commission in compliance with National Instrument 81-105 *Mutual Fund Sales Practices*. Trailing commission payments (sometimes known as a "trailer fee") are made quarterly at a current annual rate of up to 1% of the value of the Class A and Class Af Founders Units of the Maxam Arbitrage Fund and the Class A and Class B Units of the Maxam Diversified Strategies Fund held by clients of the dealer.

Other Kinds of Dealer Compensation – Maxam may, in compliance with National Instrument 81-105 *Mutual Fund Sales Practices*, do any or all of the following:

- assist dealers with certain of their direct costs associated with marketing the Funds and providing educational investor conferences and seminars about the Funds;

- provide dealers non-monetary benefits of a promotional nature and of minimal value and may engage in business promotion under these programs on an individual basis; and

- pay dealers a portion of the costs of educational conferences, seminars or courses that provide information about financial planning, investing in securities, mutual fund industry matters or mutual funds generally**.**

Equity Interests – No participating dealer or representative of a participating dealer has an equity interest in us.

Dealer Compensation from Management Fees

During 2022, approximately 16.5% of the management fees paid to Maxam by the Funds were used to fund the payment of trailer fees and the costs of marketing, promotional or educational activities in connection with the Funds.

Income Tax Considerations

The following general summary fairly presents the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**"), as of the date hereof, for the Funds and for individual holders of Units (other than trusts) who, for the purposes of the Tax Act are resident in Canada, hold such securities as capital property and deal with the Funds at arm's length. This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) (the "**Minister**") prior to the date hereof (the "**Tax Proposals**") and current published administrative and assessing policies of the Canada Revenue Agency ("**CRA**"). This summary does not take into account or anticipate any changes in law other than the Tax Proposals whether by legislative, administrative or judicial action, and it does not take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is based on the assumption that each of the Funds will qualify as a "mutual fund trust" within the meaning of the Tax Act at all times. If either of the Funds were not to so qualify, the tax considerations would differ materially and adversely in some respects from those described below. See the section titled "*Income Tax Considerations – Non-Qualification as a Mutual Fund Trust*" for more information.

This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Therefore, prospective Unitholders are advised to consult their own tax advisers about their individual circumstances.

Taxation of the Funds

Generally, the Funds will be subject to tax under Part I of the Tax Act to the extent that their income, including net taxable capital gains, is not distributed or made payable to Unitholders at the end of each calendar year. It is the intention of the Funds to distribute or make payable each year their net income and net realized capital gains to such an extent that they will not be liable in any year for income tax under Part I of the Tax Act (after taking into account available loss carryforward amounts and the capital gain refund mechanism). In certain circumstances, losses of the Funds may be suspended or restricted, and therefore would be unavailable to shelter capital gains or income.

All of the deductible expenses of the Funds, including expenses common to all Classes of the Funds and management and performance fees and other expenses specific to a particular Class of the Funds, will be taken into account in determining the income or loss of the Funds as a whole and applicable taxes payable by the Funds as a whole.

The Funds are required to compute their income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses that will be taken into account in computing their income for tax purposes where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency.

Upon the actual or deemed disposition of a security in its portfolio which is not the subject of a short sale, the Funds will realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Funds were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Funds acquired the security in one or more transactions considered to be an adventure or concern in the nature of trade. In such circumstances, the Funds will realize ordinary income (or losses). The Manager has advised that the Funds will purchase securities (other than derivative instruments and securities purchased as part of a short sale) with the objective of earning income thereon and will take the position that gains and losses realized on the disposition of those securities are capital gains and capital losses. The Manager has also advised that the Funds will elect in accordance with the Tax Act to have each of its "Canadian securities" as defined in the Tax Act, including Canadian securities acquired in connection with a short sale, treated as capital property.

Generally, the Funds may include gains and deduct losses on income account in connection with their derivative activities and will recognize such gains or losses for tax purposes at the time they are realized by the Funds. In certain circumstances, if derivatives are utilized as a hedge on capital property, gains and losses may be treated on account of capital. The derivative forward agreement rules in the Tax Act (the "**DFA Rules**") target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on investments that would have the character of ordinary income to capital gains. The DFA Rules will generally not apply to derivatives used to closely hedge gains or losses due to currency fluctuations on underlying capital investments of the Funds. Hedging, other than currency hedging on underlying capital investments, which reduces tax by converting the return on investments that would have the character of ordinary income to capital gains through the use of derivative contracts, will be treated by the DFA Rules as on income account.

Non-Qualification as a Mutual Fund Trust

If, at any time in a year in which a Fund does not qualify as a "mutual fund trust" within the meaning of the Tax Act, a Fund has an investor that is a "designated beneficiary" within the meaning of the Tax Act, the Fund may be subject to a special tax at a rate of 40% under Part XII.2 of the Tax Act on its "designated income" within the meaning of the Tax Act. A "designated beneficiary" includes a non-resident person and "designated income" includes income from carrying on business in Canada (which may include gains on certain derivatives) and capital gains from dispositions of "taxable Canadian property" within the meaning of the Tax Act. Where a Fund is subject to tax under Part XII.2, provisions in the Tax Act are intended to afford Unitholders who are not designated beneficiaries with an appropriate refundable tax credit. If a Fund does not qualify as a "mutual fund trust" within the meaning of the Tax Act, it may be subject to alternative minimum tax under the Tax Act (very generally, to the extent that its expenses exceed its income other than capital gains). As well, the Fund will not be entitled to claim the capital gains refund that would otherwise be available to it if it were a "mutual fund trust" throughout the year. A Fund that does not qualify as a "mutual fund trust" will be "financial institution" for purposes of the "mark-to-market" rules contained in the Tax Act at any time if more than 50% of the fair market value of all interests in the Fund are held at that time by one or more financial institutions. The Tax Act contains special rules for determining the income of a financial institution.

Taxation of the Unitholders (other than Registered Plans)

Unitholders of the Funds are required to include in their income for tax purposes, for a particular year, the amount (computed in Canadian dollars) of net income and net taxable capital gains, if any, paid or payable to them by the Funds and deducted by the Funds in computing their income for tax purposes, whether or not reinvested in additional Units of the Funds. Any amount in excess of the net income and net realized taxable capital gains of the Funds that is paid or payable to a Unitholder in a year should not generally be included in computing such Unitholder's income for the year. However, the payment by the Funds of such excess amount, other than as proceeds of disposition of a Unit or part thereof and other than the portion, if any, of that excess amount that represents the non-taxable portion of net realized capital gains of the Funds, will reduce the adjusted cost base of a Unitholder's Units. If the adjusted cost base of a Unitholder's Units would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of Units and the adjusted cost base of the Units will then be increased by the amount of such gain (i.e. reset to nil).

The Funds will designate to the extent permitted by the Tax Act the portion, if any, of the net income distributed to Unitholders as may reasonably be considered to consist of, respectively, (i) taxable dividends received by the Funds on securities of taxable Canadian corporations and (ii) net taxable capital gains of the Funds. Any such designated amount will be deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. In the case of a Unitholder who is an individual, the dividend gross-up and tax credit treatment normally applicable to taxable dividends paid by a taxable Canadian corporation will apply. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by Canadian corporations. Capital gains designated as such by the Funds will be subject to the general rules relating to the taxation of capital gains, which are described below.

In addition, a Fund may similarly make designations in respect of its income from foreign sources so that, for the purpose of allocating any foreign tax credit to a Unitholder, the Unitholder will be deemed to have paid as tax to the government of a foreign country that portion of the taxes paid by the Fund to that country that is equal to the Unitholder's share of the income of the Fund from sources in that country.

Unitholders will be advised each year of the composition of amounts distributed to them.

The reclassification of Units of a Fund as Units of another Class of the same Fund will not be considered to be a disposition for tax purposes and, accordingly, the Unitholder will realize neither a gain nor a loss as a result of a reclassification. The Unitholder's adjusted cost base of the Units received for the Units of another Class will equal the adjusted cost base of the latter Units.

Upon the actual or deemed disposition of a Unit of a Fund, including on the redemption of a Unit by the Fund or a switch of Units of the Fund for Units of another Fund, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Unit of the Fund exceed (or are exceeded by) the aggregate of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. Generally, one-half of a capital gain is included in a Unitholder's income as a taxable capital gain and one-half of a capital loss is an allowable capital loss that may be used to offset a Unitholder's taxable capital gains, subject to the detailed rules in the Tax Act.

In general, fees for investment counselling services paid by a Unitholder in respect of Units of the Funds held outside a Registered Plan should be deductible for income tax purposes to the extent that such fees are reasonable and represent fees for advice to the Unitholder regarding the purchase or sale of specific securities owned by the Unitholder (including Units of the Funds) or for services provided to Unitholders in respect of the administration or management of securities owned directly by the Unitholder (including Units of the Funds). Any portion of the fees that represent services provided by the Manager to the Funds, rather than directly to a Unitholder are not deductible for income tax purposes. Unitholders should consult their own tax advisors with respect to the deductibility of fees on Class I Units in their own particular circumstances.

Calculating the Adjusted Cost Base of a Unitholder's Units

Unitholders are responsible for keeping a record of the adjusted cost base ("**ACB**") of their investment. This record will enable Unitholders to calculate any capital gains or capital losses realized upon the redemption or disposition of their Units. A Unitholder's ACB must be determined separately for each class of units they own in a Fund. The total ACB of a Unitholder's units of a Class of a Fund is calculated as follows:

- Begin with amounts paid to purchase the investment in cash, including any upfront sales charges.
- Add the amount of any distributions received from the Fund and reinvested in more Units.
- Add the ACB of units reclassified from another class of the same Fund on a tax-deferred basis, and the net asset value of any units received on a taxable switch from another Fund.
- Subtract the return of capital component (if any) of distributions received by the Unitholder on the Units.
- Subtract the ACB of any units that were previously redeemed, or switched for or reclassified as units of another Class of a Fund.

For the purpose of determining the adjusted cost base of a Unitholder's units, upon the acquisition of Units, including on the reinvestment of distributions, the cost of the newly acquired units will be averaged with the ACB of all units owned by the Unitholder as capital property immediately before that time.

Net Capital Gains Distributions to Redeeming Unitholders

The Manager shall have the discretion to determine the amount, if any, of the Fund's net capital gains for its taxation year and the discretion to allocate all or any portion of such net capital gains to a Unitholder that has redeemed Units, provided that the amount of net capital gains allocated to a particular redeeming Unitholder shall not exceed the amount, if any, by which the amount payable on the redemption of the Units exceeds the adjusted cost base of the Units being redeemed. If the total of the amounts determined by the Manager for redeeming Unitholders in any year exceeds the net capital gains of the Fund for that taxation year, net capital gains shall be allocated rateably to those redeeming Unitholders. Such portion, if any, of the amount paid on the redemption of a Unit in accordance with the above shall be deemed to be a distribution of the Fund's net capital gains. In accordance with and to the extent permitted by the Tax Act, any such distributions, allocations or designations will reduce the redeeming Unitholder's redemption proceeds.

Distribution Policy

Where a Unitholder purchases Units of a Fund, a portion of the acquisition price may reflect income and capital gains of the Fund that have not yet been realized or distributed. Unitholder's must include in income the taxable portion of any distribution paid to them by the Fund even though the particular Fund may have earned the income or realized the gains relating to the distributions before the Unitholder owned the Units. In particular, this may be the case when Units are acquired late in the year, or on or before the date on which a distribution is paid.

Portfolio Turnover

The portfolio turnover rate of each Fund indicates how actively the Fund's portfolio advisor manages its portfolio investments. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate of turnover (e.g., greater transaction costs such as brokerage fees). A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a year. The higher a Fund's portfolio turnover rate in a year, the greater the chance that Unitholders will receive distributions that must be included in their income for tax purposes for that year. Any gains realized would be offset by any losses realized on portfolio transactions. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Alternative Minimum Tax

Unitholders who are individuals or certain trusts may be liable for alternative minimum tax under the Tax Act in respect of net income of the Funds paid or payable to such Unitholders that is designated as realized capital gains and/or Canadian dividends as well as in respect of taxable capital gains realized on the disposition of Units.

Registered Plans and Eligibility for Investment

The Units of a Fund will be "qualified investments" (as defined in the Tax Act) for a trust governed by a "first home savings account" ("**FHSA**"), "registered retirement savings plan" ("**RRSP**"), "registered retirement income fund" ("**RRIF**"), "registered disability savings plan" ("**RDSP**"), "registered education savings plan" ("**RESP**"), "tax free savings account" ("**TFSA**") or a "deferred profit sharing plan" (each within the meaning of the Tax Act, and collectively, "**Registered Plans**") at any time that the Fund qualifies or is deemed to qualify as a "mutual fund trust" within the meaning of the Tax Act. The Funds presently qualify as "mutual fund trusts" within the meaning of the Tax Act and are expected to so qualify at all relevant times. Investors should consult with their own tax advisors as to whether Units would be a "prohibited investment" (as defined in the Tax Act) if held in their RRSP, RRIF, TFSA, RDSP or RESP in their particular circumstances.

In general, the amount of distributions paid or payable to a Registered Plan from the Funds will not be taxable under the Tax Act until it is withdrawn from the Registered Plan. Withdrawals from TFSAs are not subject to tax and special rules apply with respect to FHSAs, RESPs and RDSPs.

A Registered Plan that sells or otherwise disposes of securities (other than a reclassification of securities, as discussed above) will be considered to have disposed of those securities for the purpose of the Tax Act. In general, gains from a sale will not be taxable under the Tax Act until they are withdrawn from the Registered Plan.

Unitholders should be careful not to contribute more to their Registered Plan than allowed under the Tax Act or they may have to pay a penalty tax.

Tax Statements

Unitholders will receive a T3 tax slip for each year showing the amount and type of distributions allocated to them during the previous year. Unitholders should keep detailed records of the purchase cost, sales charges and distributions related to their investments so they can calculate their adjusted cost base or cost amount of their Units. We suggest that Unitholders consult a tax advisor to assist them with these calculations.

Tax Information Reporting

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the "**IGA**"), and related Canadian legislation, the Funds and/or registered dealers are required to report certain information with respect to Unitholders who are U.S. tax residents or U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding Registered Plans other than FHSAs), to the CRA. The CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS**"), the Funds and/or registered dealers are required under Canadian legislation to identify and report to the CRA certain information relating to certain Unitholders in the Funds (excluding Registered Plans other than FHSAs) who are tax residents in a country outside of Canada and the U.S. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral exchange with Canada under the CRS.

The CRA and the Department of Finance have engaged with the U.S. Internal Revenue Service in relation to the possibility of exempting the FHSA from the due diligence and reporting obligations imposed under the IGA. It is too early to confirm that bilateral agreement has been reached on this matter. The Department of Finance has also issued a comfort letter indicating that they are prepared to recommend that Part XIX of the Tax Act be amended to exempt the FHSA from the due diligence and reporting obligations imposed under the CRS.

Statement of Rights

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

- withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or Fund Facts document, or

- cancel your purchase within 48 hours after you receive confirmation of the purchase.

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

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

Exemptions and Approvals

The Funds are subject to certain requirements set out in securities legislation, including NI 81-102. These requirements are designed in part to ensure that the Funds' underlying investments are adequately diversified, that investors can withdraw their money relatively easily and that the Funds are properly administered. Except as described below, the Funds are managed in accordance with these requirements.

We have received exemptive relief from certain securities regulators:

- permitting the Maxam Diversified Strategies Fund to include performance data in its sales communications, Fund Facts and its annual and interim reports of fund performance notwithstanding that: (i) the performance data will relate to a period prior to the Maxam Diversified Strategies Fund offering its securities under a simplified prospectus, and (ii) the Maxam Diversified Strategies Fund has not distributed its securities under a prospectus for 12 consecutive months;

- permitting the Maxam Diversified Strategies Fund to process purchase orders for its Units, as described in its simplified prospectus and Fund Facts, on a monthly basis at their class NAV per Unit calculated as at the last valuation date of the calendar month in which the purchase order for such Units is received or deemed to be received;

- permitting the Maxam Diversified Strategies Fund to process redemption orders for its Units, as described in its simplified prospectus and Fund Facts on at least 15 business days prior written notice, on a monthly basis, redeeming such Units at their class NAV per Unit calculated on the last valuation date of each calendar month in which the redemption order for such Units is received;

- permitting the Funds to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the NAV of the Funds; and

- permitting the Funds to deposit portfolio assets with a borrowing agent that is not the Funds' custodian or sub-custodian in connection with a short sale of securities, if the aggregate market value of the portfolio assets held by the borrowing agent after such deposit, excluding the aggregate market value of the proceeds from outstanding short sales of securities held by the borrowing agent, does not exceed 25% of the NAV of the applicable Fund at the time of deposit.

Certificate

August 15, 2023

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut and do not contain any misrepresentations.

MAXAM CAPITAL MANAGEMENT LTD.

On behalf of the Funds, and in its capacity as manager and promoter of the Funds

(signed) "Travis Dowle"	*(signed) "Ben Macfadyen"*
TRAVIS DOWLE President and Chief Executive Officer	BEN MACFADYEN Acting Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF
MAXAM CAPITAL MANAGEMENT LTD.

On behalf of the Funds, and in its capacity as manager and promoter of the Funds

(signed) "Sean Morrison"	*(signed) "Brian Hikisch"*
SEAN MORRISON Director	BRIAN HIKISCH Director

Specific Information about Each of the Funds Described in this Document

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

When you invest in a mutual fund, you pool your cash to make investments with many other people. On behalf of everyone who contributes, professional money managers use the cash to buy many different securities. These securities form the mutual fund's investment portfolio.

Mutual funds own different types of investments, depending on their investment objectives. 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 value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

The cash you contribute to a mutual fund buys you a number of units in the mutual fund and everyone who contributes to a mutual fund is called a unitholder. You share the mutual fund's income, expenses and capital gains or losses in proportion to the number of units you own, except with respect to class specific expenses.

A mutual fund may issue units in one or more classes. A class of units may be viewed as a subdivision of the mutual fund for certain purposes (e.g., calculation of management fees), but for other purposes (e.g., investment activity and common expenses) the mutual fund remains undivided. See the section titled "*Purchases, Switches and Redemptions – Classes of Units*" for more information.

In Canada, a mutual fund can be established either as a mutual fund trust or as a mutual fund corporation. The Funds described in this simplified prospectus are established as trusts.

What are the Advantages of Investing in a Mutual Fund?

Investing in a mutual fund has several advantages over investing on your own in individual stocks, bonds and money market instruments:

- **Professional money management** – Professional advisors have the skills, tools and the time to perform research and to make decisions about which investments to buy, hold or sell.

- **Diversification** – Investment values are always changing. Owning several investments can improve long-term results as the ones that increase in value can compensate for those that do not.

- **Liquidity** – Units may be redeemed at any time. In some cases this may result in a short-term trading fee.

- **Record-keeping and reporting** – Records of your interest are kept and you are sent financial statements, tax slips and receipts when required by applicable law.

What are the General Risks of Investing in a Mutual Fund?

Risk is the chance that your investment may not perform over a certain time period. There are different degrees and types of risks. However, in general, the more risk you are willing to accept as an investor, the higher the potential returns and the greater the potential losses.

Units of the Funds are purchased and sold at the relevant class NAV per Unit. The NAV of the Funds, and the price of the Units, will fluctuate on a daily basis with changes in the market value of the particular Fund's investments. The values may change for a variety of reasons, including, but not limited to, changes in interest rates, economic conditions, market activity and company news. As a result, the value of your investment in a Fund may be more or less when you redeem it than when you purchased it.

Your investment is not guaranteed – The full amount of your investment in the Funds 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.

To withdraw your investment, you simply redeem your Units at the prevailing Class NAV per Unit. Under exceptional circumstances, a mutual fund may not allow you to redeem your Units. See the section titled "*Purchases, Switches and Redemptions – How to Redeem Units of the Funds – Redemption Suspensions*" for more information.

What are the Specific Risks of Investing in the Funds?

In addition to the general risks of mutual fund investing, each mutual fund carries specific risks depending on its particular investments and strategies. Below, we describe the specific risks that can affect the value of your investment in the Funds.

Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial goals.

Investment in the Funds is speculative due to the nature of the Funds' business and involves certain risk factors. There is no guarantee that an investment in the Funds will earn any positive return in the short or long term and investors must be able to bear the risk of a complete loss of their investment. The following risks should be carefully evaluated by prospective investors.

The Funds are each considered an "alternative mutual fund", meaning that under NI 81-102, they are permitted to use strategies generally prohibited by other types of mutual funds, such as the ability to invest more than 10% of their NAV in securities of a single issuer, the ability to invest up to 100% or more of their NAV in physical commodities, either directly or through the use of specified derivatives, the ability to borrow cash, up to 50% of their NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of their NAV in aggregate), and the ability to use leverage with gross aggregate exposure to borrowing, short selling and specified derivatives up to 300% of their NAV, among other things. The Funds have also obtained exemptive relief that permits the Funds to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the NAV of the Funds. See the section titled "*Exemptions and Approvals*" for more information on this exemptive relief. For more information regarding the risks associated with these strategies, please see "*Concentration Risk*", "*Commodity Risk*", "*Derivative Risk*", "*Leverage Risk*" and "*Short Selling Risk*" below.

Concentration Risk

The Funds may concentrate their investments in a relatively small number of securities, certain sectors or specific regions or countries. This may result in higher volatility, as the value of the Funds will vary more in response to changes in the market value of these securities, sectors, regions or countries. The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including

NI 81-102. The Funds are subject to increased concentration risk as they are permitted to invest up to 20% of their NAV in the securities of a single issuer.

Credit Risk

Credit risk is comprised of default risk, credit spread risk, downgrade risk and collateral risk.

- **Default risk** is the risk that the issuer will not be able to pay the obligation, either on time or at all. Generally, lower quality debt securities involve a greater risk of default on interest and/or principal payments.

- **Credit spread risk** is the risk that there will be an increase in the difference between the interest rate of an issuer's bond and the interest rate of a bond that is considered to have little associated risk (such as a government guaranteed bond or treasury bill). The difference between these interest rates is called a "credit spread". Credit spreads are based on macroeconomic events in the domestic or global financial markets. An increase in credit spread will decrease the value of debt securities.

- **Downgrade risk** is the risk that a specialized credit rating agency, such as DBRS (Dominion Bond Rating Services), Standard & Poor's or Moody's Investors Services, will reduce the credit rating of an issuer's securities. Downgrades in credit rating will decrease the value of those debt securities.

- **Collateral risk** is the risk that the value of any assets securing an issuer's obligation may be deficient or difficult to liquidate. As a result, the value of those debt securities may decline significantly in value.

Each can have a negative impact on the value of a debt security.

Leverage Risk

The Funds may leverage their investment positions by borrowing funds. Leverage increases both the potential return and the risk of loss on any investment position. The Funds are subject to a gross aggregate exposure limit of up to 300% of their NAV, which is the sum of its derivative (excluding hedging activity), shorting, and borrowing activities measured on a daily basis. This will operate to limit the extent to which the Funds are leveraged.

Commodity Risk

If the Funds invest in natural resource companies or in income or royalty trusts based on commodities, such as oil and gas, they will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move dramatically in short periods of time. In addition, new discoveries or changes in government regulations can affect the price of commodities. The Funds are permitted to invest up to 100% of their NAV in physical commodities.

Currency Risk

The Funds' assets and liabilities are valued in Canadian dollars. When the Funds buy foreign securities, however, they are purchased with foreign currency. The U.S. dollar and the Euro, for example, both fluctuate in value against the Canadian dollar. An unfavourable move in the exchange rate for either currency may reduce, or even eliminate, any return on an investment priced in that currency. The opposite can also be true, as the Funds can benefit from changes in exchange rates.

The Funds may own securities denominated in foreign currencies. Maxam will have the discretion to decide the extent to which the currency risk may be hedged back to the Canadian dollar. See "*Derivative Risk*" below.

In addition to the exchange rate risk, there is also a risk that certain foreign governments may restrict the ability to exchange currencies. Our ability to make distributions or process redemptions assumes the continuing free exchange of the currencies in which the Funds are invested.

Cybersecurity Risk

Cybersecurity risk is the risk of loss and liability to an organization resulting from a failure or breach of the information technology systems used by or on behalf of the organization and its service providers, including incidents resulting in unauthorized access, use or disclosure of sensitive, regulated or protected data. The use of the internet and information technology systems by us, the Funds and their service providers may expose us and the Funds to potential loss or liability arising from cybersecurity incidents.

Cyber incidents can result from deliberate attacks or unintentional events, and may arise from internal sources (*e.g.*, employees, contractors, service providers, suppliers and operational risks) or external sources (*e.g.*, nation states, terrorists, hacktivists, competitors and acts of nature). Cyber incidents include, but are not limited to, unauthorized access to information systems and data (*e.g.*, through hacking or malicious software) for purposes of misappropriating or corrupting data or causing operational disruption. Cyber incidents also may be caused in a manner that does not require unauthorized access, such as causing denial-of-service attacks on websites (*e.g.*, efforts to make network services unavailable to intended users).

A cyber incident that affects us, the Funds, our or the Funds' service providers (including, but not limited to, the Funds' portfolio advisors, transfer agent, custodian and sub-custodians) might cause disruptions and adversely affect their respective business operations (*e.g.*, interference with the Funds' ability to calculate their NAV and impediments to trading, to Unitholder transactions with the Funds and to the Funds' processing of transactions, including redeeming Units) and might also result in violations of applicable law (*e.g.*, personal information protection laws), each of which might result in potentially significant financial losses and liabilities, regulatory fines and penalties, reputational harm, and reimbursement and other compensation costs. Similar adverse consequences might result from a cyber incident that affects an issuer of securities in which the Funds invest or a counterparty with whom the Funds engage in transactions. In addition, substantial costs might be incurred to investigate, remediate, and prevent cyber incidents.

Our cyber security risk management program, risk management systems, and business continuity plans are designed to create effective administrative, technical and physical safeguards for the protection of information and technology systems. Cross-functional risk assessments are performed regularly to identify and address cyber security risks specific to our organization and protocols are reviewed and updated annually or when prudent in response to a threat or incident. An incident management process has been developed that provides a framework for managing routine as well as more critical security events. Our written procedures for responding to such events includes a Business Continuity and Disaster Recovery Plan, which provides recovery procedures and written guidelines designed to sustain our critical functions and to restore further operational function as soon as possible. We periodically employ external security experts to assess system environments for potential vulnerabilities against cyber security threats. Based on the potential risks identified, we may seek to further enhance system controls and safeguards.

While we and the Funds have taken reasonable measures designed to prevent cyber incidents and to limit any loss or liability associated with cyber incidents, inherent limitations exist in those plans and systems, including the possibility that certain risks have not been identified. Furthermore, we cannot control the cyber security plans and systems of our service providers or the service provided to the Funds, the issuers of securities in which the Funds invest or any other third parties whose operations may affect the Funds or their Unitholders. As a result, the Funds and their Unitholders could be negatively affected.

Derivative Risk

Derivatives may be used to limit or hedge potential losses associated with currencies, stock markets and interest rates. Derivatives may also be used for non-hedging purposes: to reduce transaction costs, achieve greater liquidity, leverage, and create effective exposure to financial markets, or increase speed and flexibility in making portfolio changes. Any use of derivatives has risks, including:

- The hedging strategy may not be effective.
- There is no guarantee a liquid market will exist when a Fund wants to buy or sell the derivative contract.
- A large percentage of the assets of a Fund may be placed on deposit with one or more counterparties as margin, which exposes the underlying fund to the credit risk of those counterparties.
- There is no guarantee that an acceptable counterparty will be willing to enter into the derivative contracts.
- The counterparty to the derivative contract may not be able to meet its obligations. The Funds may engage in derivatives trades with certain counterparties that do not have a "designated rating" under NI 81-102, which may increase the risk that such counterparty may fail to perform its obligations, resulting in a loss to the Funds.
- The exchanges on which the derivative contracts are traded may set daily trading limits, preventing the Funds from closing out a particular contract.
- If an exchange halts trading in any particular derivative contract, the Funds may not be able to close out their position in that contract.
- The price of a derivative may not accurately reflect the value of the underlying security or index.
- The Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

Arbitrage Risk

Arbitrage investing involves the risk that an expected corporate transaction will not be consummated as expected and the Funds will experience a loss.

Hedging Risk

Merger transactions frequently include the issuance of stock by the acquirer with a fixed ratio of shares for each share of the target company. To the extent the Manager does not hedge using precisely this ratio, the Funds will be exposed to unintended gains or losses. Furthermore, some transactions do not have a fixed ratio and require an assessment by the Manager of the correct correlation which may prove to be inaccurate and lead to imperfect hedging.

SPAC Risk

The Funds may invest a portion of their assets in the stock, warrants, and other securities of special purpose acquisition companies ("**SPACs**") or similar special purpose entities that raise funds for the sole purpose of seeking potential acquisition opportunities. All assets (net of operating expenses) of the SPAC are invested in government securities, money market fund securities and/or cash until an acquisition is completed. Once the SPAC identifies a transaction, common holders have the right to vote on the transaction and also to decide whether to roll their equity in the transaction or redeem shares for their pro rata share of the escrow account holdings. Should the SPAC be unable to complete an acquisition that meets its defined requirements within a pre-established period of time, the invested funds are returned to the entity's shareholders. SPACs may have specific risks, including increased volatility, associated with the regions or industries for which they pursue an acquisition. Since a SPAC is a new entity created for the purpose of acquiring another company or entity, it may have limited or no business operating history; this makes the pricing and liquidity of the security dependent on management's ability to source and complete a profitable acquisition. Furthermore, these securities may trade in the over-the-counter market which may have associated issues with price sourcing and illiquidity.

Equity Risk

Companies issue equities, or stocks, to help finance their operations and future growth. Mutual funds that purchase equities become part owners in these companies. The price of a stock is influenced by the company's performance outlook, market activity and the larger economic picture. When the economy is expanding, the outlook for many companies will generally be good and the value of their stocks should rise. The opposite may also be true. Usually, the greater the potential reward, the greater the risk.

For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. The share price of such companies is often more volatile than the share price of larger, more established companies. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance.

Investing in limited partnership units or trust units, such as oil and gas royalty trusts, real estate investment trusts and income trusts, carry varying degrees of risk depending on the sector and the underlying asset or business and may therefore be susceptible to risks associated with the industry in which the underlying business operates, to changes in business cycles, commodity prices, and to interest rate fluctuations and other economic factors. Certain convertible securities may also be subject to interest rate risk.

Class Risk

The Funds have different Classes of Units. If the Funds cannot pay the fees and expenses attributable to one Class of Units of a Fund using the proportionate share of the Funds' assets attributable to that Class, the Funds will be required to pay those fees and expenses out of one or more of the other Classes' proportionate share of the Funds' assets. This may reduce the value of your investment in the Funds.

Foreign Market Risk

The Funds may invest in securities sold outside Canada and the U.S. The value of foreign securities, and the NAV 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 securities held by the Funds.

- There is a chance that foreign securities may be highly taxed or that government-imposed exchange controls may prevent the Funds from taking money out of the country.

- In addition, changes to foreign currency exchange rates will affect the value of securities held by the Funds. See "*Currency Risk*" above.

Government Regulation Risk

Government policies or regulations are more prevalent in some sectors, such as health sciences or telecommunications, than in others, and if the Funds invest in these sectors, they may be affected when these regulations or policies change.

Fund of Fund Risk

The Funds may invest in, or obtain derivative exposure to, other mutual funds and/or exchange-traded funds. This exposes the Funds to the risks associated with the underlying fund(s).

Interest Rate Risk

Fixed-income securities, which include bonds, treasury bills and commercial paper, pay a fixed rate of interest. The Funds may have an allocation to fixed income securities and the value of the fixed income securities will rise and fall as interest rates change. This will impact the NAV of the Funds. Fixed income securities generally pay interest based on the level of rates at the time the securities were issued.

Subsequent changes to the level of interest rates will then impact the price of those previously issued securities. For example, when interest rates fall, the value of an existing bond will rise because the coupon rate on that bond is greater than prevailing interest rates. Conversely, if interest rates rise, the value of an existing bond will fall. The value of debt securities that pay a floating or variable rate of interest are generally less price sensitive to interest rate changes.

Large Transaction Risk

Any large transaction made by an institutional or individual investor could significantly impact the Funds' cash flow. If the investor buys large amounts of Units of the Funds, the Funds could temporarily have a high cash balance. Conversely, if the investor redeems large amounts of Units of the Funds, the Funds may be required to fund the redemption by selling securities at an inopportune time. This unexpected sale may have a negative impact on the performance of your investment.

Large Investor Risk

Investors may make large investments in the Funds. Large purchases and redemptions may result in the Funds maintaining abnormally high cash balances; large sales of portfolio securities, which may impact market value; increased transaction costs (e.g., commissions); or capital gains being realized, which may increase taxable distributions to investors. If this should occur, returns to investors may also be adversely affected.

Derivative Agreement Risk

Regulatory changes or market conditions may, in the future, limit the Funds' ability to increase their exposure through existing derivative agreements or to enter into new derivative agreements, and may require that a Fund reduce or eliminate its existing exposure, possibly to an extent that is prohibitively expensive, in which case the Fund may determine that it is in the best interest of the Fund to terminate the derivative agreement. There is no assurance that the Funds will be able to maintain or increase their exposure under derivative agreements on acceptable terms with a counterparty or any other substitute counterparty.

Derivative Counterparty Risk

A Fund may pledge cash up to the value of the amount payable by the Fund under a derivative agreement as security in order to secure its obligations under each of the derivative agreements that the Fund is a party to. The counterparty will pledge securities to the Fund (which may include units of a reference fund) or enter into another collateral arrangement to fully secure its obligations to the Fund under derivative agreements.

The Funds' counterparty credit risk is limited to an amount up to 10% of the total assets of the applicable Fund in accordance with NI 81-102. Each counterparty will at all times be a Schedule I bank as defined in the *Bank Act* (Canada). Should the credit rating of a counterparty fall below the approved credit rating as set out in NI 81-102, the Funds have the option to terminate the transaction early.

The possibility exists that the counterparty will default on its obligations under a derivative agreement, in which case the Funds will not receive delivery of units of the reference fund or the return of collateral pledged as security.

Rebalancing Risk

Rebalancing risk arises when the weights of two or more components of an overall portfolio are to be kept in a specific ratio, but the independent movement of each in the market demands that some of the components be bought or sold in order to restore the ratio back to its desired level. The greater the volatility of the components, the greater the potential rebalancing required, and this leads to performance degradation over time.

Liquidity Risk

Liquidity risk is the possibility that investments in the Funds cannot be readily converted into cash when required. Maxam may invest in small and medium sized companies whose shares typically trade in much lower volumes than larger companies. In such cases, if Maxam needs or wants to sell such securities promptly, it may not be able to do so on a timely basis. As a result, in order to sell this type of holding, the Funds may need to discount the securities from recent prices or dispose of the securities over a long period of time. Accordingly, the value of such securities is subject to greater fluctuation since they may not regularly trade.

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 resales are prohibited by a promise or agreement made by the holder of the securities.

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.

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.

Securities Lending, Repurchase and Reverse Repurchase Transactions Risk

Sometimes the Funds may enter into what are called repurchase transactions, reverse repurchase transactions and securities lending agreements. In a repurchase transaction, a 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 a Fund to borrow short-term cash and earn fees. In a reverse repurchase transaction, a 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 a Fund to earn a profit (or interest) and for the other party to borrow some 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, a 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 risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, a 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, a 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.

Business Risk

While Maxam believes that the Funds' investment policies will be successful over the long term, there can be no guarantee against losses resulting from an investment in Units of the Funds and there can be no assurance that the Funds' investment approaches will be successful or that their investment objectives will be attained. It is possible that the Funds could realize substantial losses, rather than gains, from some or all of the investments described herein.

Operational Risk

Operating risks are broadly defined as the risks associated with implementing and supporting the operating requirements of the Funds, including middle office and back office functions such as trade processing, accounting, administration, reporting and valuation. If the Manager's internal systems or the service provider's external systems of control are deficient, then the Funds may be exposed to unintended potential losses.

Taxation Risk

The Funds are expected to qualify or be deemed to qualify at all material times as a "mutual fund trust" under the Tax Act. If one or more of the Funds does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described herein could be materially and adversely different in some respects. There can be no assurance that Units of the Funds will be qualified investments for Registered Plans under the Tax Act. The Tax Act imposes penalties on such plans for the acquisition or holding of non-qualified investments.

The use of derivative strategies may also have a tax impact on the Funds. In general, gains and losses realized by the Funds from derivative transactions will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account and provided there is sufficient linkage. The Funds will generally recognize gains or losses under a derivative contract when they are realized by the Funds upon partial settlement or upon maturity. This may result in significant gains being realized by the Funds at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable Unitholders in the taxation year in which it is realized and included in such Unitholder's income for the year.

There can be no assurance that the CRA will agree with the tax treatment adopted by the Funds in filing their tax returns. The CRA could reassess the Funds on a basis that results in tax being payable by the Funds or in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Funds being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of, or trading prices of, Units of the Funds.

If the Funds experience a "loss restriction event" (i) the applicable Fund will be deemed to have a year-end for tax purposes (which could result in the Fund being subject to tax unless it distributes its income and capital gains prior to such year-end), and (ii) the applicable Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Funds will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of a Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of a Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Funds will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, holds interests having a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in a Fund. Generally, a person is deemed not to become a majority interest beneficiary, and a group of persons is deemed not to become a majority interest group of beneficiaries, of a Fund if the Fund qualifies as an "investment fund" under the rules including that it meets certain investment requirements.

Net Asset Value Risk

The NAV of each Class of Units that comprise the Funds will fluctuate with changes in the market value of the investments attributable to that Class. Such changes in market value may occur as a result of various factors, including those factors identified above with respect to international investments and emerging market securities and material changes in the intrinsic value of an issuer whose securities are held by the Funds.

Valuation Risk

The NAV of the Units will vary directly with the market value and return of the investment portfolio of the Funds. The valuation of portfolio securities and other investments of the Funds may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the NAV of the Funds and their Units could be adversely affected. Independent pricing information may not at times be available regarding certain of the Funds' securities and other investments. Valuation determinations will be made in good faith in accordance with the Amended and Restated Trust Agreement.

Although the Funds generally will invest in exchange-traded and liquid over-the-counter securities, the Funds may from time to time have some of their assets in investments that by their very nature may be extremely difficult to value accurately. To the extent that the value assigned by the Funds to any such investment differs from the actual value, the NAV per Unit may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that if you redeem all or part of your Units while a Fund holds such investments, you will be paid an amount less than you might have been paid if the actual value of such investments is higher than the value designated by the Fund. Similarly, there is a risk that an investor might, in effect, be overpaid if the actual value of the investor's investments is lower than the value designated by a Fund in respect of a redemption. In addition, there is a risk that an investment in the Funds by a new investor (or an additional investment by an existing Unitholder) could dilute the value of your investment if the actual value of such investments is higher than the value designated by the Funds. Further, there is a 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 a Fund. We do not intend to adjust the NAV of the Funds retroactively.

Short Selling Risk

A short sale by a mutual fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the mutual fund and returned to the lender. While the securities are borrowed, the proceeds from the sale are deposited with the lender and the mutual fund pays interest to the lender. If the value of the securities declines between the time that the mutual fund borrows the securities and the time it repurchases and returns the securities to the lender, the mutual fund makes a profit on the difference (less any interest the mutual fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for a mutual fund. Securities sold short may instead appreciate in value creating a loss for a mutual fund. Unlike a purchase of a share where the maximum amount of the loss is the amount invested, the size of the loss in respect of a short sale is not limited as there is no limit on the amount a security sold short may increase in value. A mutual fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom a mutual fund has borrowed securities may go bankrupt and a mutual fund may lose the collateral it has deposited with the lender. The Manager has received exemptive relief from certain securities regulators to sell securities short up to a maximum of 100% of its NAV.

Portfolio Turnover Risk

The operation of the Funds may result in a high annual portfolio turnover rate. Portfolio securities may be sold without regard to the time they have been held when, in the opinion of Maxam, investment considerations warrant such action. A high rate of portfolio turnover involves correspondingly greater expenses than a lower rate of turnover (e.g., greater transaction costs such as brokerage fees). A portfolio turnover rate of 100% is equivalent to a fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Funds' portfolio turnover rate in a year, the greater the chance that a distribution from the Funds must be included in computing your income for tax purposes for that year.

Conflicts of Interest

The Funds may be subject to various conflicts of interest due to the fact that Maxam is engaged in a wide variety of management, advisory and other business activities. Maxam's investment decisions for the Funds will be made independently of those made for the other funds managed by Maxam and other clients of Maxam and independently of its own investments. However, on occasion, Maxam may make the same investment for one or more of the Funds and one or more of the other funds under its management or its other clients. Where one or more of the Funds and one or more of the other funds or clients of Maxam are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. Maxam will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios, the relative size and rate of growth of the Funds and the other funds or clients under common management and such other factors as Maxam considers relevant in the circumstances.

Involvement in Other and Competing Activities Risk

Maxam, its officers, directors, employees, or shareholders and their respective affiliates and associates are not limited or affected in their ability to carry on other business ventures for their own account, or for the account of others, and may be engaged in the development of, investment in, or management of businesses that may compete with the business of the Funds. Investment in the Funds will not carry with it the right of the Funds or of any Unitholder to invest in any other venture of Maxam or its affiliates or associates or to any profit therefrom or to any interest therein. Maxam may have a conflict of interest in carrying out its obligations to the Funds as a result of its involvement in competing activities. Maxam has policies in place to reduce or eliminate potential or perceived conflicts of interest, as well as disclosure protocols to make sure any potential conflicts are adequately disclosed to investors.

Competition for Services Risk

The Funds will not have independent management and will rely upon Maxam to manage the business of the Funds and to provide managerial skill. The directors and officers of Maxam may have a conflict of interest in allocating their time between the business of Maxam, the Funds, and other businesses or projects in which they may become involved. The directors and officers of Maxam have, however, agreed to devote as much time to the Funds as is required for the effective management of the Funds.

Reliance on Management Risk

The success of the Funds will be entirely dependent upon the efforts of Maxam.

No Assurance of Return Risk

Although Maxam will use its best efforts to achieve superior rates of return for the Funds, no assurance can be given in this regard. An investment in Units should be considered speculative and investors must be able to bear the risk of a complete loss of their investment.

Lack of Separate Counsel Risk

Counsel for the Funds in connection with this offering is also counsel to Maxam. The Unitholders, as a group, have not been represented by separate counsel and counsel for the Funds and Maxam does not purport to have acted for the Unitholders or to have conducted any investigation or review on their behalf.

Limited Resources of Manager Risk

Maxam has no obligation to fund any operating deficits resulting from the business of the Funds or to advance funds to continue the business operations of the Funds. Even if Maxam should elect to do so voluntarily or be held individually accountable by Fund creditors, its available assets will likely not be adequate to satisfy the capital needs of continuing business operations. Maxam has no equity and, consequently no capital resources. If the Funds' revenues are insufficient to pay the Funds' expenses after expending the funds obtained from this offering and if Maxam does not advance such additional funds as may be needed by the Funds, the Funds may not be able to continue their business operations in the absence of an alternative source of financing, and there can be no assurance that such financing will be available to the Funds.

Description of Securities Offered by the Funds

The Maxam Arbitrage Fund currently offers Class A, Class F and Class I Units. For a description of each Class of Units offered by the Fund, see the section called "*Purchases, Switches And Redemptions – Classes of Units – Maxam Arbitrage Fund*".

The Maxam Diversified Strategies Fund currently offers Class A, Class B, Class F, Class I, Class M and Class X Units. For a description of each Class of Units offered by the Fund, see the section called "*Purchases, Switches And Redemptions – Classes of Units – Maxam Diversified Strategies Fund*".

Each Unit of a Class represents an equal, undivided interest in the net assets of the Fund represented by that Class. However, the assets of all Classes of the Fund are combined in a single pool to create one portfolio for investment purposes. Except for the fees payable in respect of each Class (or Sub-Class) of Units, the rights and attributes of each Class is identical. Units are not transferable, except in very limited circumstances. If the Fund is terminated, a holder of any Class of Units on the termination date will be entitled to a proportionate share of the net assets of the Fund attributable to that Class of Units. The minimum purchase amounts for the Classes of the Fund are provided under the section called "*How to Buy Units of the Funds*". The management and performance fees paid to us with respect to each Class of Units are described in the section called "*Fees and Expenses*". You may also be required to pay a fee if you redeem your Units early. See the sections called "*Short-Term Trading*" and "*Fees and Expenses*". Without your consent or notice to you, Maxam may establish additional Classes and Sub-Classes of Units of the Fund and may determine the rights as between those Classes and Sub-Classes.

Distribution Rights

All Unitholders of the Funds participate in distributions and each Class of the Fund ranks equally with the other Classes of the Fund in the payment of such distributions. Each Class of the Funds is entitled to its share of adjusted net income of the applicable Funds. Adjusted net income is the net income of the Fund adjusted for specific expenses of that Fund attributable to each Class. Sufficient net income and net realized capital gains of the Fund will be distributed to Unitholders in each year to ensure that the Fund will not be subject to tax under Part I of the Tax Act (other than alternative minimum tax). To the extent that distributions made during a year exceed the net income and net realized capital gains available for distributions which are allocated amongst Classes as described above, such distributions may include a return of capital. Distributions are automatically reinvested in additional Units of the applicable Fund. For information about how distributions can affect your taxes, see the section titled "*Income Tax Considerations*".

From time to time, we may accept reduced management fees from the Fund in connection with certain Unitholders who make substantial investments in the Fund. If we accept reduced fees in respect of your investment, you will receive a "management fee distribution" from the Fund equal to the amount of such fee reduction. This management fee distribution will be paid first out of the net income and net realized capital gains of the Fund, and thereafter out of capital, and will be automatically reinvested in additional Units.

Liquidation Rights, Redemption Rights and Voting Rights

A Class of the Fund will generally be entitled to a distribution in the event of dissolution of the Fund. The distribution is equal to that Class's share of the net assets of the Fund after adjustment for expenses of the Fund attributable to the Class.

All Units of the Fund are redeemable as described under the heading "*Purchases, Switches and Redemptions – Redeeming Units*". You can reclassify from one Class of Units to another Class of Units within the Fund (commonly referred to as "switching") provided that you meet certain criteria established by us as manager of the Fund to hold Units of such other Class. Reclassifications from Class to Class within the Fund are not considered a disposition for income tax purposes.

Each holder of a whole Unit of the Fund is entitled to one vote at all meetings of the Fund except meetings at which the holders of another Class of Units have a right to vote separately as a class. The Fund does not hold regular meetings. Unitholders are permitted to vote on all matters that require Unitholder approval under NI 81-102. The rights and conditions attaching to the Units of the Fund may be modified only in accordance with the provisions attaching to such Units set forth in the Amended and Restated Trust Agreement of the Fund.

Investment Restrictions and Practices

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

A change to the fundamental investment objectives of the Funds cannot be made without obtaining Unitholder approval. Maxam may change the Funds' investment strategies from time to time at its discretion.

It is expected that both of the Funds will qualify, or be deemed to qualify, as "mutual fund trusts" as defined in the Tax Act at all times. The Funds will not engage in any undertaking other than the investment of their funds in property for the purposes of the Tax Act.

Provided that the Funds qualify, or are deemed to qualify, as "mutual fund trusts" within the meaning of the Tax Act, Units of the Funds will be qualified investments for Registered Plans. Investors should consult with their own tax advisors as to whether Units of the Funds would be a "prohibited investment" under the Tax Act if held in their RRSP, RRIF, TFSA, RDSP or RESP in their particular circumstances.

General Investment Practices

The Funds' assets may be invested in such securities as Maxam, as the portfolio adviser of the Funds sees fit, provided such investments do not contravene any investment restrictions or practices adopted, and the Funds may retain all or part of their assets in cash or cash equivalents. The proportion of the Funds' investments in any type or class of security or country may vary significantly.

The Funds' assets will be invested in various asset classes as determined by Maxam in accordance with the Funds' mandates.

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, the Funds may temporarily hold all or a portion of its assets in cash, money market instruments, securities of affiliated money market funds, bonds or other debt securities. As a result, the Funds may not be fully invested in accordance with their fundamental investment objectives.

Name, Formation and History of the Funds

The Funds are unit trusts established under the laws of the Province of British Columbia. The Maxam Arbitrage Fund was formed as of August 11, 2020 pursuant to a master trust agreement dated August 11, 2020, between Maxam, in its capacity as manager, and Maxam, as trustee of the Fund. The Maxam Diversified Strategies Fund was established as a non-public open-end investment fund as of September 26, 2008, pursuant to a master trust agreement, as amended from time to time, between Maxam, its capacity as manager, and Computershare Trust Company of Canada as agent for Valiant Trust Company, in its former role as trustee of the Maxam Diversified Strategies Fund. As of August 22, 2022, the Funds are governed by the Amended and Restated Trust Agreement between Maxam, in its capacity as manager of the Funds, and Maxam, as trustee of the Funds.

Maxam is the manager and the portfolio adviser of the Funds. The principal place of business of the Funds and Maxam is 330 – 609 Granville Street, Vancouver, British Columbia, V7Y 1A1. The registered office of Maxam is 330 – 609 Granville Street, Vancouver, British Columbia, V7Y 1A1.

Investment Risk Classification Methodology

A risk classification rating is assigned to the Funds to provide you with information to help you determine whether a Fund is appropriate for you. We assign fund risk ratings to each Fund as an additional guide to help you decide whether a Fund is right for you. Our determination of the risk rating for the Funds is guided by the Canadian Securities Administrators (the "**CSA**") *Investment Risk Classification Methodology*.

As part of our review of the investment risk rating of the Funds, we consider the historical volatility risk as measured by the standard deviation of Fund performance. However, you should be aware that other types of risk, both measurable and non-measurable, may exist. Additionally, just as historical performance may not be indicative of future returns, a Fund's historical volatility may not be indicative of its future volatility.

Consistent with CSA guidelines, the Manager also considers qualitative factors before making a final determination of the appropriate risk ratings. Using this methodology, we assign a risk rating to the Funds as either low, low to medium, medium, medium to high, or high risk. We review the investment risk level of the Funds on an annual basis. We assign a risk rating category that is at, or higher than, the applicable rating indicated by the standard deviation ranges in the standardized risk classification methodology, as outlined in the table below.

Standard Deviation Range	Risk Rating
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

A Fund's risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional

Units of the Fund. Since the Maxam Arbitrage Fund has less than a 10-year performance history, the methodology requires us to use an appropriate reference index to backfill the returns for the purposes of the above calculation. The reference index used is a composite index consisting of the following: 75% HFRI ED: Merger Arbitrage Index and 25% HFRI Event-Driven (Total) Index. This index is event-driven and equal-weighted, focusing on merger arbitrage globally in U.S. dollars, with a monthly reporting interval.

You may obtain a copy of the methodology at no cost by calling us at 604-685-0201 or by emailing Maxam at info@maxamcm.com.

Maxam Arbitrage Fund

Fund Details

Type of fund	Arbitrage, Event-Driven
Date the fund was started	Class A – September 30, 2020 Class F – September 30, 2020 Class Af Founders – September 30, 2020[1] Class Ff Founders – September 30, 2020[1] Class I – September 30, 2020
Type of securities	Class A, Class F, Class Af Founders, Class Ff Founders and Class I trust units
Eligibility	Units of the Fund are qualified investments for Registered Plans

[1] Class Af Founders Units and Class Ff Founders Units are not currently available for purchase. We may offer Class Af Founders Units and Class Ff Founders Units for purchase in the future.

What Does the Maxam Arbitrage Fund Invest In?

Investment Objectives

The fundamental investment objective of the Fund is to generate consistent, positive returns, while minimizing volatility and correlation with equity markets by investing in publicly traded securities in Canada, the United States and other foreign jurisdictions.

The fundamental investment objective of the Fund may only be changed with the approval of a majority of Unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies described below at our discretion.

Investment Strategies

We employ an active and opportunistic investment strategy. Our focus is on merger arbitrage and other event-driven hedged opportunities. These typically include profiting from the successful completion of mergers, take-overs, tender offers, leveraged buyouts, spin-offs, liquidations and other corporate reorganizations. We also plan to profit from debt, equity, sub-receipt or rights offerings as well as capital structure arbitrage and other idiosyncratic mispricing opportunities.

We intend to invest primarily in small, mid and large-capitalization companies trading on North American exchanges – however, we may choose to invest in compelling opportunities in other developed markets. Specific strategies, tools and techniques to be employed are referenced below. The Fund may directly invest up to 100% of its net assets in foreign securities.

Merger Arbitrage

The core strategy of merger arbitrage involves the purchase and sale of shares in companies that have announced merger transactions. When a definitive transaction has been announced, shares in the target company typically trade at a discount, or 'spread', to the contracted merger consideration. We may choose to arbitrage this spread in cases where the potential return is attractive relative to the risk of the merger being called off or delayed. In cases where the proposed consideration involves shares of the acquiring company, we may choose to sell short the expected deal proceeds to lock in the spread and mitigate any market risk. From time to time the Manager may also take short positions in merger targets if there is a reasonable likelihood of the merger being called off. We may also engage in the trading of listed call or put options to hedge underlying risks.

Special Purpose Acquisition Corporations

The Manager plans to invest in SPACs as part of its strategy. SPACs are cash shells that have been formed by a sponsoring manager to look for an acquisition. During the term in which the SPAC is searching for a qualifying transaction, the cash proceeds from the formation of the SPAC are invested in interest bearing government securities. When a transaction is found (typically within a 2 year time limit), securityholders are entitled to vote to support the proposed transaction or redeem their Units for their proportional share of the cash in the SPAC. If no transaction is proposed during the lifetime of the SPAC then investor funds plus interest are returned. This structure allows for investors to gain low-risk exposure to potential transactions by maintaining the option to exit at cash value should the transaction not be well received. Additional features such as fractional warrants can add to the potential returns and mitigate downside risks.

Subscription Receipts

The Manager plans to trade in both primary offerings and secondary trading of subscription receipts. A subscription receipt is a security that is typically offered by a company that is planning a large acquisition. To minimize financing risk, the company will sell subscription receipts to raise funds for the acquisition, with the subscription receipts to convert to shares or other securities upon consummation of the transaction. Should the acquisition not close, then proceeds from the subscription receipt offering will be returned pro-rata to investors. In cases where subscription receipts trade at a market price below its underlying security (typically common shares), the Manager may take a long subscription receipt position and corresponding short common shares position to arbitrage this spread.

Equity and Debt Financings

The Manager plans to participate in primary and secondary security offerings that it believes will trade well relative to the issue price. We may choose to take offsetting short positions in the subject companies or appropriate comparables to mitigate market risk in the period after the deal securities have been allocated, but prior to close.

Convertible Arbitrage

The Manager may participate in convertible arbitrage trading. Convertible arbitrage involves the purchase of convertible debentures paired against a short position in the underlying equity. Convertible debentures are debt securities that are convertible into equity of the underlying issuer at the option of the debentureholder. The Fund will typically hedge the underlying equity exposure by selling short common shares at the appropriate ratio, or delta, to the optionality embedded within the debenture. Downside risk is mitigated by the equity short position and the fact that the debenture sits higher in the capital structure.

Other Strategies

Other strategies that the Manager may choose to pursue from time to time include, but are not limited to:

- **Holdco Arbitrage** – trading in companies with a market price at a discount to its underlying publicly listed assets.
- **Spin-offs / Stubs** – trading in companies that are distributing select balance sheet assets directly to Unitholders.
- **Substantial Issuer Bids** – trading in companies that have made a tender offer for its own shares.
- **Index Arbitrage** – trading in securities that may be added or deleted from an index.
- **Closed End Fund Arbitrage** – trading in listed closed end funds that can be liquidated at NAV.

All strategies pursued will be those permitted within the rules for alternative mutual funds.

Use of Derivatives

The Fund may invest in derivative instruments to: (i) reduce transaction costs, (ii) increase liquidity and efficiency of trading, (iii) gain exposure to equity markets in a more efficient manner, (iv) reduce risk, (v) generate yield, (vi) hedge currency exposure, and (vii) provide leverage. The Fund may use derivatives such as futures, currency forwards, options and swaps 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 objectives. The Fund will only use derivatives as permitted by securities regulators, and in the manner permitted by exemptive relief obtained by the Fund (see the section called "*Exemptions and Approvals*").

Portfolio Turnover

The Fund's investment strategies may involve active and frequent trading of portfolio securities. In any year, the higher a fund's portfolio turnover rate, and the greater the trading costs payable by the fund in the year, and the larger the capital gains distribution may be. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a fund.

Foreign Securities

Up to 100% of the Fund's assets may be invested in foreign securities.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. See the section called "*Policies and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions*" for more information.

The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering into securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

For more information, see the section called "*Securities Lending, Repurchase and Reverse Repurchase Transactions Risk*".

Short Selling

The Fund is authorized to enter into short selling transactions. A short sale is a transaction which involves the sale of a borrowed asset, typically a stock, with the expectation that the asset will fall in value. The Fund must eventually return the borrowed stock by buying it back on the open market. If the stock falls in price, the Fund will be able to buy it for less than it sold it for, thus making a profit. In the interim, the Fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

The practice of short-selling securities is relatively uncommon compared to purchasing long positions. This is primarily due to restrictions on short-selling securities in the policies of many investment funds, a lack of proficiency amongst amateur investors and a perception that short-selling is very risky. Because short-selling is an uncommon practice, there are inefficiencies that we believe we can profitably exploit in the capital markets that other investors cannot, or will not, take advantage of.

We intend to short-sell, on an exceptional and opportunistic basis, securities that we believe are fundamentally flawed or overvalued and have demonstrably begun to fall out of favour with investors. We will also use short positions to hedge away unwanted risks or to protect an offsetting long position from a potential decline in price. The Fund is permitted to sell securities short up to a maximum of 100% of its net asset value (see the section called "*Exemptions and Approvals*").

The following are some examples of the risks associated with short selling:

- 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.

- The 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 the Fund to purchase such securities on the open market at an inopportune time.

- The lender from who the Fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker.

If the Fund invests in underlying funds, then it may be indirectly exposed to short selling risk if the underlying fund(s) in which it invests engages in short selling. For more information about the risks associated with short selling, see the section called "*Short Selling Risk*".

Cash Borrowing

The Fund may engage in cash borrowing from its prime broker to help achieve its investment objectives by increasing the Fund's investment exposure. Pursuant to the exemptive relief granted to the Fund, cash borrowing combined with short sales must not exceed 100% of the Fund's NAV (see the section called "*Exemptions and Approvals*").

What are the Risks of Investing in the Maxam Arbitrage Fund?

An investment in Maxam Arbitrage Fund is subject to the general risks associated with alternative mutual fund investing. In addition, an investment in Maxam Arbitrage Fund will also be subject to the general risks inherent in equity investments, as well as the specific risks described under the heading "*What are the Specific Risks of Investing in the Funds?*", including:

- Arbitrage risk
- Short selling risk
- Equity risk
- Hedging risk
- SPAC risk
- Liquidity risk
- Derivative risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Leverage risk
- Taxation risk
- Operational risk
- Portfolio turnover risk
- Class risk
- Concentration risk

As of July 31, 2023, no investor held Units of the Fund representing more than 10% of the Fund's NAV. If an investor holds Units representing a large portion of the outstanding Units of the Fund, an investment in the Fund will also involve large redemption risk.

During the 12-month period prior to June 16, 2023, up to 10.28% of the Fund's NAV was invested in Class A common shares of FG Acquisition Corp., a Special Purpose Acquisition Company (SPAC) which consisted solely of cash held in trust on behalf of its shareholders. The Manager assessed that the investment, due to its nature, would pose minimal risk to the Fund with limited effect on Fund volatility, liquidity and diversification. The investment was ultimately redeemed and paid out to the Fund for cash value. If the Fund concentrates its investments in a particular issuer or issuers, an investment in the Fund will involve concentration risk.

As noted above under the heading "*Investment Objectives*", the Maxam Arbitrage Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted to use strategies generally prohibited to other mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 50% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The Fund has also obtained exemptive relief that permits the Fund to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the NAV of the Fund. See the section titled "*Exemptions and Approvals*" for more information on this exemptive relief. For more information regarding the risks associated with these strategies, please see "*Concentration Risk*", "*Derivative Risk*", "*Leverage Risk*" and "*Short Selling Risk*" under the heading "*What are the Specific Risks of Investing in the Funds?*". Please see the section called "*Investment Risk Classification Methodology*" for a description of how we determined the classification of this Fund's risk rating.

Maxam Diversified Strategies Fund

Fund Details

Type of fund	Equities, Value, Event-Driven
Date the fund was started[1]	Class A – December 31, 2012 Class B – May 31, 2011 Class F – January 31, 2013 Class I – May 31, 2016 Class M – June 30, 2017 Class X – June 30, 2009
Type of securities[2]	Class A, Class B, Class F, Class I, Class M and Class X trust units
Eligibility	Units of the Fund are qualified investments for Registered Plans

1 The Maxam Diversified Strategies Fund formerly offered its Units privately. The Fund was established pursuant to a master trust agreement entered into on September 26, 2008.

2 The Maxam Diversified Strategies Fund processes purchase orders for its Units on a monthly basis at their Class NAV per Unit calculated as at the last valuation date of the calendar month in which the purchase order for such Units is received, and processes redemption orders for its Units on at least 15 business days prior written notice, on a monthly basis, redeeming such Units at their class net asset value per Unit calculated on the last valuation date of each calendar month in which the redemption order for such Units is received. The Fund is only suitable for investors who can accept this purchase processing and redemption processing frequency.

What Does the Maxam Diversified Strategies Fund Invest In?

Investment Objectives

The fundamental investment objective of the Fund is to maximize long term investment returns by profiting from investment opportunities identified by us.

The fundamental investment objective of the Fund may only be changed with the approval of a majority of Unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies described below at our discretion.

Investment Strategies

We employ an active and opportunistic investment strategy. Our focus is on event driven situations, unique trading opportunities and undervalued securities. We intend to invest primarily in small, mid and large-capitalization companies trading on North American exchanges – however we may choose to invest in compelling opportunities outside of these parameters.

We intend to concentrate the Fund's holdings in the securities of companies that we believe are:

- expected to benefit from an event or catalyst;
- undervalued relative to our assessment of their prospects for growth;
- run by high quality management teams;
- exhibiting, or in our view capable of, strong earnings growth;
- protected by meaningful barriers to entry; and
- misunderstood or contain hidden assets.

In order to capitalize on identified investment opportunities, we will seek to maximize returns and protect against loss by using some or all of the investment strategies, tools and techniques referenced below.

Long Positions

Long positions involve the purchase of an asset with the expectation that the asset will rise in value. We may establish long positions in stocks, option contracts, commodities, currencies and other financial assets that we judge as suitable and appropriate to achieve the investment objective of the Fund.

Short Selling

The Fund is authorized to enter into short selling transactions. A short sale is a transaction which involves the sale of a borrowed asset, typically a stock, with the expectation that the asset will fall in value. The Fund must eventually return the borrowed stock by buying it back on the open market. If the stock falls in price, the Fund will be able to buy it for less than it sold it for, thus making a profit. In the interim, the Fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

The practice of short-selling securities is relatively uncommon compared to purchasing long positions. This is primarily due to restrictions on short-selling securities in the policies of many investment funds, a lack of proficiency amongst amateur investors and a perception that short-selling is very risky. Because short-selling is an uncommon practice, there are inefficiencies that we believe we can profitably exploit in the capital markets that other investors cannot, or will not, take advantage of.

We intend to short-sell, on an exceptional and opportunistic basis, securities that we believe are fundamentally flawed or overvalued and have demonstrably begun to fall out of favour with investors. We will also use short positions to hedge away unwanted risks or to protect an offsetting long position from a potential decline in price. The Fund is permitted to sell securities short up to a maximum of 100% of its net asset value (see the section called "*Exemptions and Approvals*").

The following are some examples of the risks associated with short selling:

- 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.

- The 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 the Fund to purchase such securities on the open market at an inopportune time.

- The lender from who the Fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the Fund may lose the collateral it has deposited with the lender and/or the prime broker.

If the Fund invests in underlying funds, then it may be indirectly exposed to short selling risk if the underlying fund(s) in which it invests engages in short selling. For more information about the risks associated with short selling, see the section called "*Short Selling Risk*".

Cash Borrowing

The Fund may engage in cash borrowing from its prime broker to help achieve its investment objectives by increasing the Fund's investment exposure. Pursuant to the exemptive relief granted to the Fund, cash borrowing combined with short sales must not exceed 100% of the Fund's NAV (see the section called "*Exemptions and Approvals*").

Options and Derivatives

An option is a financial derivative that represents a contract sold by one party to another party. The contract offers the buyer the right, but not the obligation, to buy or sell a security or other financial asset at a pre-determined price during a certain period of time or on a specific date.

Options can be used to take an artificial long or short position in an underlying security in a very cost-effective manner. Option contracts can also be used as tools for hedging away risk or protecting existing investment positions. We primarily intend to use options to hedge certain risks and to protect existing investment positions. On a select and opportunistic basis, we may also use options to mimic long or short positions in securities we believe will rise or fall in value. The use of options implies the use of leverage.

Risk Arbitrage

Risk arbitrage can be broadly described as the practice of investing in three types of situations: (a) merger and acquisition arbitrage which involves the simultaneous purchase of a company being acquired and the short-sale of the stock of the acquiring company – the goal is to exploit the spread between the acquirer and the company being acquired in a low risk manner; (b) liquidation arbitrage involves the exploitation of a difference between a company's current value and its estimated liquidation value; and (c) pairs trading, which is the exploitation of a difference between two very similar companies in the same industry that have historically been highly correlated. When the two companies' values diverge to a historically high level you can take an offsetting position in each (*e.g.*, go long in one and short the other) with the goal of profiting as they become more similarly valued.

There are a number of different risk arbitrage techniques that may be used, and we may choose to invest in select situations as opportunities arise after considering the risk and reward characteristics of the investment.

Use of Derivatives

The Fund may invest in derivative instruments to: (i) reduce transaction costs, (ii) increase liquidity and efficiency of trading, (iii) gain exposure to equity markets in a more efficient manner, (iv) reduce risk, (v) generate yield, (vi) hedge currency exposure, and (vii) provide leverage. The Fund may use derivatives such as futures, currency forwards, options and swaps 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 objectives. The Fund will only use derivatives as permitted by securities regulators, and in the manner permitted by exemptive relief obtained by the Fund (see the section called "*Exemptions and Approvals*").

Portfolio Turnover

The Fund's investment strategies may involve active and frequent trading of portfolio securities. In any year, the higher a fund's portfolio turnover rate, and the greater the trading costs payable by the fund in the year, and the larger the capital gains distribution may be. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a fund.

Foreign Securities

Up to 100% of the Fund's assets may be invested in foreign securities.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund is authorized to enter into securities lending, repurchase and reverse repurchase transactions in accordance with NI 81-102. In a securities lending transaction, the Fund lends its portfolio securities through an authorized agent to another party (often called a "counterparty") in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the Fund sells its portfolio securities for cash through an authorized agent while at the same time assuming an obligation to repurchase the same securities for cash (usually at a lower price) at a later date. In a reverse repurchase transaction, the Fund buys portfolio securities for cash while at the same time agreeing to resell the same securities for cash (usually at a higher price) at a later date. See the section called "*Policies and Practices – Securities Lending, Repurchase and Reverse Repurchase Transactions*" for more information.

The following are some examples of the risks associated with securities lending, repurchase and reverse repurchase agreements:

- When entering into securities lending, repurchase and reverse repurchase transactions, the Fund is subject to the credit risk that the counterparty may default under the agreement and the Fund would be forced to make a claim in order to recover its investment.

- When recovering its investment on default, the Fund could incur a loss if the value of the portfolio securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the Fund.

- Similarly, the Fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the Fund to the counterparty.

For more information, see the section called "*Securities Lending, Repurchase and Reverse Repurchase Transactions Risk*".

What are the Risks of Investing in the Maxam Diversified Strategies Fund?

An investment in the Fund is subject to the general risks associated with alternative mutual fund investing. In addition, an investment in the Fund will also be subject to the general risks inherent in equity investments, as well as the specific risks described under the heading "*What are the Specific Risks of Investing in the Funds?*", including:

- Arbitrage risk
- Short selling risk
- Equity risk
- Hedging risk
- SPAC risk
- Liquidity risk
- Derivative risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Leverage risk
- Taxation risk
- Operational risk
- Portfolio turnover risk
- Class risk

As of July 31, 2023, one investor held Units of the Fund representing 10.96% of the Fund's NAV. If an investor holds Units representing a large portion of the outstanding Units of the Fund, an investment in the Fund will also involve large redemption risk.

As noted above under the heading "*Investment Objectives*", the Maxam Diversified Strategies Fund falls within the definition of an "alternative mutual fund" set out in NI 81-102 as it is permitted to use strategies generally prohibited to other mutual funds, such as the ability to invest more than 10% of its NAV in securities of a single issuer, either directly or through the use of specified derivatives, the ability to borrow cash, up to 50% of its NAV, to use for investment purposes, the ability to sell securities short (the combined level of cash borrowing and short selling is limited to 50% of its NAV in aggregate), and the ability to use leverage through the use of cash borrowing, short selling and specified derivatives. The Fund has also applied for exemptive relief that would permit the Fund to sell securities short and/or borrow cash up to a combined aggregate total of 100% of the NAV of the Fund. See the section titled "*Exemptions and Approvals*" for more information on this exemptive relief. For more information regarding the risks associated with these strategies, please see "*Concentration Risk*", "*Derivative Risk*", "*Leverage Risk*" and "*Short Selling Risk*" under the heading "*What are the Specific Risks of Investing in the Funds?*". Please see the section called "*Investment Risk Classification Methodology*" for a description of how we determined the classification of this Fund's risk rating.

SIMPLIFIED PROSPECTUS

MAXAM ARBITRAGE FUND
MAXAM DIVERSIFIED STRATEGIES FUND

Additional information about the Funds is available in the Funds' Fund Facts document, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means they legally form part of this simplified prospectus just as if they were printed as a part of this document. You can get a copy of these documents at your request and at no cost, by calling us at 604-685-0201, or from your dealer, or by email at info@maxamcm.com. You may also find these documents and other information about the Funds at www.maxamcm.com or at www.sedarplus.com.

Manager of the Funds

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