

The Sceptre Mutual Funds

Simplified Prospectus

Class A Units and Class O Units (unless otherwise indicated) of:

SCEPTRE INCOME & GROWTH FUND (*Class D Units and Class F Units are also available*)

SCEPTRE BOND FUND (*Class D Units are also available*)

SCEPTRE HIGH INCOME FUND (*Class D Units and Class F Units are also available*)

SCEPTRE CANADIAN EQUITY FUND (*Class D Units and Class F Units are also available*)

SCEPTRE EQUITY GROWTH FUND (*Class D Units and Class F Units are also available*)

SCEPTRE U.S. EQUITY FUND (*available in Class O Units only*)

SCEPTRE GLOBAL EQUITY FUND (*Class D Units are also available*)

SCEPTRE MONEY MARKET FUND

SCEPTRE LARGE CAP CANADIAN EQUITY FUND (*available in Class O Units only*)

August 26, 2010

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

The Funds and the securities offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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Introduction

In this document, “**we**”, “**us**” and “**our**” refer to Sceptre Investment Counsel Limited. We refer to The Sceptre Mutual Funds described in this document as the “**Funds**”, and each individually as a “**Fund**”.

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

This document is divided into two parts:

- Pages 1 to 24 contain general information applicable to all of the Funds.
- Pages 25 to 54 contain specific information about each of the Funds described in this document.

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

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

These documents are *incorporated by reference* into this document, which means that they legally form part of this document just as if they were printed as a part of this document. You can get a copy of these documents at your request and at no cost from your dealer or by calling us toll-free at **1-800-265-1888** or locally at **416-360-4826**.

You may also obtain these documents on our Internet site at **www.sceptre.ca** or by contacting the Funds at **mail@sceptre.ca**. These documents and other information about the Funds are also available at the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at **www.sedar.com**.

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

A mutual fund is a pool of money contributed by people with similar investment objectives. Mutual fund unitholders share the fund's income, expenses, and the gains and losses the fund makes on its investments in proportion to the units they own.

A mutual fund may own different types of investments - stocks, bonds, cash, units of other funds - depending upon the fund's 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 (the unit price) 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.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see page 9- "Purchases, Switches and Redemptions".

The full amount of your investment in any of the Funds is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Investment Risks

All investments, including mutual funds, carry the risk that you will lose money, or not make money. The degree of risk from one mutual fund to another varies considerably. Generally speaking, investments with the highest potential return carry the greatest risk.

Money market funds are considered the least risky. The riskiest funds tend to be the single sector funds. We offer a selection of funds within these two extremes.

In deciding how much risk you are prepared to take, you should consider how soon you will need the money you are investing. Historically, by holding a fund for a longer period of time, or the longer you leave your money invested, the more risk may be reduced since there is more time for short-term market declines to be reversed. As well, you will need to consider your investment goals and what types of other investments you already have in your overall portfolio.

Below are some of the specific risks that can affect the value of your investment in a Fund. The descriptions of each Fund contained in the second part of this prospectus identify which risks apply to each individual Fund.

Class Risk

In the multi-class unit structure created by the Funds each class will be charged, as a separate class, any expenses that are specifically attributable to that class. Those expenses will be deducted in calculating the unit price for that class of units and will reduce the value of

the Fund's assets that are attributable to that class. Those expenses will continue to be liabilities of the Fund as a whole. As a result, if there are not enough assets of that class to pay those expenses, the remaining assets of the Fund as a whole would be used to pay the excess expenses. In that event the unit price of the other class would decline by its proportionate share of the excess expenses.

Concentration Risk

A Fund may hold more than 10% of its net assets in securities of a single issuer. In this situation, the Fund's assets may be less diversified. In addition, such concentration may make the Fund's unit price more volatile and may reduce the liquidity of the Fund's portfolio, which may make it more difficult for the Fund to satisfy a redemption request.

Credit Risk

This is the risk that the issuer of an investment will not make a payment on the debt securities purchased by the Fund. This includes the risk that an issuer may suffer adverse changes in financial condition lowering the credit rating of its security and increasing the volatility of the security's price. Changes in the quality rating of a security can affect its liquidity and make it more difficult to sell. If any of these events occurs the Fund may suffer a loss.

Currency Risk

This is the risk that changes in the value of the Canadian dollar, compared to foreign currencies, will affect the value of securities in mutual funds which invest outside of Canada. Some funds hedge the risk of changes in the foreign currency exchange rate.

Derivative Risk

This is the risk associated with the use of derivatives. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments, indexes or currencies. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Some of the Funds may engage in a variety of transactions involving derivatives such as futures, options, warrants and swap contracts. We may use derivatives both for hedging and non-hedging purposes, or we may also choose not to use derivatives, based on our evaluation of market conditions or the availability of suitable derivatives.

Derivatives involve special risks and may result in losses. Some risks are as follows:

- there is no guarantee that a Fund will be able to buy or sell a derivative at the right time to make a profit or limit a loss
- there is no guarantee that the other party in the contract will live up to its obligations

- if a Fund enters into a derivative with a party that goes bankrupt, the Fund could lose any deposits that it made with the other party as part of the contract
- securities exchanges could set daily trading limits on options and futures contracts, which could prevent a Fund from completing an options or futures contract or making a profit or limiting a loss.

Foreign Investment Risk

This is the risk that investments in foreign companies will be affected by world economic factors, in addition to changes in the value of the Canadian dollar. Information about foreign companies may not be as complete and may not be subject to the same extensive accounting, auditing, financial reporting standards and practices and other disclosure requirements which apply in Canada and the United States.

Different financial, political and social factors can significantly affect the value of a mutual fund investment. Foreign markets may be volatile or lack liquidity (for example, due to smaller markets, longer settlement periods or local market conditions) which may cause fund prices to fluctuate more than if the funds limited their investments to Canadian securities. The costs of buying, selling and holding securities in foreign markets may be higher than those involved in domestic transactions.

Income Trust Risk

Income trusts commonly hold debt or equity securities in, or are entitled to receive royalties from, an underlying active business. Income trusts generally fall into four sectors: business trusts, utility trusts, resource trusts and real estate investment trusts.

Investments in income trusts will have varying degrees of risk depending on the sector and the underlying assets. They will also be subject to general risks associated with business cycles, commodity prices, interest rates and other economic factors.

Returns on income trusts are neither fixed nor guaranteed. Typically income trusts and other securities that are expected to distribute income are more volatile than fixed-income securities and preferred shares. The value of income trust units may decline significantly if they are unable to meet their distribution targets. To the extent that claims against an income trust are not satisfied by the trust, investors in the income trust (which include a fund that invests in the income trust) could be held responsible for such obligations. Some, but not all, jurisdictions have enacted legislation to protect investors from some of this liability. Changes have been made to the way certain income trusts and limited partnerships are taxed. Generally, the rules include a tax on certain publicly-traded income trusts (not including certain real estate investment trusts) and limited partnerships with respect to certain earnings of such entities beginning in 2011, and earlier in certain circumstances. The changes will reduce the tax effectiveness of affected income trusts and partnerships. This could adversely affect the funds that invest in these entities.

Interest Rate Risk

A mutual fund that invests partially or completely in bonds or other fixed income securities is impacted most by changes in interest rates. If interest rates increase, the value of the fixed income securities purchased tends to fall. If interest rates decrease, the value of these investments tends to rise.

The issuers of many kinds of fixed income securities can repay the principal before the security matures. This is called making a prepayment and it can happen when interest rates are decreasing. It is a risk because if a fixed income security is paid off sooner than expected, the mutual fund may have to reinvest this money in securities that have lower interest rates.

Large Redemption Risk

Some of the Funds may have investors that own a significant number of units of the Fund. If such a large investor redeems a significant number of units of a Fund, the unit price of that Fund could be negatively affected.

Market Risk

This is the risk that the market value of a fund's investments will rise or fall based on specific company developments and stock market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are based.

Securities Lending Risk

Some of the Funds may enter into securities lending transactions to the extent permitted by the Canadian securities regulatory authorities from time to time. In securities lending transactions, a mutual fund lends its portfolio securities for a set period of time to borrowers who post acceptable collateral. To engage in securities lending, the manager of the applicable mutual fund appoints a qualified agent under a written agreement which addresses, among other requirements, the responsibility for administration and supervision of the securities lending program. There is a risk that the other party in the securities lending transaction may not fulfill its obligations leaving the mutual fund holding collateral which could be worth less than the loaned securities if the value of the loaned securities increases relative to the value of the cash or other collateral, resulting in a loss to the fund. To limit this risk:

- (i) a Fund must hold collateral equal to no less than 102% of the value of the loaned securities (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);
- (ii) the collateral to be held may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan;

- (iii) a Fund cannot loan more than 50% of the total value of its assets (not including the collateral held by the fund) through securities lending transactions; and
- (iv) the Fund's total exposure to any one borrower in securities, derivative transactions and securities lending will be limited to 10% of the total value of the Fund's assets.

Small Cap Risk

Small capitalization ("small cap") companies tend to be less stable than large capitalization ("large cap") companies as a result of such factors as limited financial resources, newer product lines and markets, smaller trading volumes and activity and being more susceptible to loss of key employees. Mutual funds that invest only in small cap companies are more likely to have large changes in value. The 100 largest companies by market capitalization on the Toronto Stock Exchange are considered large cap, while the remainder are considered small and medium cap.

Short Selling Risk

Each of the Funds, other than Sceptre Money Market Fund and Sceptre Large Cap Canadian Equity Fund, has received approval from the securities regulators to engage in short selling transactions. Currently, only Sceptre Equity Growth Fund and Sceptre Canadian Equity Fund may use short selling transactions as part of their investment strategies. Generally speaking, short selling can provide a fund with an opportunity for gain where the fund's portfolio management team expects the price of a security to decrease. A short sale by a fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the same securities are repurchased by the fund and returned to the lender. Until the securities are returned, fund assets are deposited with the lender as security and the fund pays interest to the lender on the borrowed securities. If the value of the securities decreases between the time that the fund borrows the securities and the time it repurchases and returns the securities to the lender, the fund makes a profit on the difference (minus the interest paid to the lender). Short selling by a fund involves the following risks: (i) securities sold short may appreciate in value and create a loss for the fund; (ii) the fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist; (iii) the lender may recall the borrowed securities at any time; and (iv) the lender may experience financial difficulties and the fund may lose the collateral it has deposited with the lender. The fund will adhere to controls and restrictions that are intended to help offset these risks, as discussed in the Annual Information Form under the heading "Investment Restrictions".

Organization and Management of the Funds

<p>MANAGER Sceptre Investment Counsel Limited 26 Wellington Street East Suite 1200 Toronto, Ontario M5E 1W4 1-800-265-1888 416-360-4826 http://www.sceptre.ca</p>	<p>The manager manages the overall business of the Funds, including arranging for portfolio advisory services, arranging for the provision of administration services and promoting sales of each Fund's units.</p> <p>On June 16, 2010, the Manager and Fiera Capital Inc. ("Fiera") announced that they have reached an agreement to merge the two companies. After the transaction, Fiera will control approximately 60% of the outstanding shares of the Manager and the Manager's name will be changed to Fiera Sceptre Inc. Completion of the transaction is subject to the approval of the shareholders of the Manager, the approval of unitholders of each Fund, as well as court and regulatory approvals and other customary conditions. A meeting of the unitholders of each Fund was held on August 20, 2010, and the unitholders of each Fund approved the change in manager and trustee that will occur as a result of the transaction. If all other necessary approvals are obtained, it is expected that the transaction will take place at the end of August 2010.</p>
<p>TRUSTEE Sceptre Investment Counsel Limited Toronto, Ontario</p>	<p>The Funds are organized as trusts. When you invest in the Funds, you are buying units of the trust. The trustee holds actual title to the property in the Funds - the cash and securities - on your behalf.</p>
<p>PORTFOLIO ADVISOR Sceptre Investment Counsel Limited Toronto, Ontario</p>	<p>The portfolio advisor carries out all research and determines purchases and sales of the Funds' portfolio securities.</p>
<p>CUSTODIAN RBC Dexia Investor Services Trust Toronto, Ontario</p>	<p>The custodian has custody of the portfolio assets of the Funds and carries out settlement of portfolio transactions. It may retain sub-custodians to hold, and settle transactions in, Fund portfolio securities in countries other than Canada.</p>

<p>REGISTRAR RBC Dexia Investor Services Trust Toronto, Ontario</p>	<p>Independent of the manager, RBC Dexia Investor Services Trust keeps track of the owners of units of each of the Funds, processes purchase, switch and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information.</p>
<p>AUDITOR PricewaterhouseCoopers LLP Toronto, Ontario</p>	<p>The auditor audits the financial statements of the Funds.</p>
<p>INDEPENDENT REVIEW COMMITTEE</p>	<p>The Sceptre Mutual Funds Independent Review Committee ("IRC") consists of three individuals, all of whom are independent from the Manager and parties related to the Manager. The IRC's mandate is to review, and provide input on, the Manager's written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some instances, approve, conflict of interest matters.</p> <p>The IRC may also approve certain mergers involving the Funds and any change of the auditors of the Funds. Investor approval will not be obtained in these circumstances but investors will be sent a written notice at least 60 days before the effective date of any such merger or change of auditors.</p> <p>The IRC will prepare a report of its activities for unitholders at least annually which will be available on the website of the Manager at www.sceptre.ca. It will also be available free of charge from the Manager on request by calling toll-free at 1-800-265-1888 or by email at mail@sceptre.ca. For information concerning the compensation and expenses payable to the IRC, please see "Operating Expenses" at page 17. Additional information about the IRC, including the names of its members, is also available in the Annual Information Form of the Funds.</p>

Each of Sceptre Large Cap Canadian Equity Fund, Sceptre Income & Growth Fund, Sceptre Bond Fund, Sceptre High Income Fund, Sceptre Canadian Equity Fund, Sceptre Equity Growth Fund and Sceptre Global Equity Fund ("Top Funds") may invest a portion of its assets in

other funds (“Underlying Funds”). Where the Underlying Funds are also managed by Sceptre, Sceptre will not vote the securities of the Underlying Funds held by the Top Funds. Instead, where applicable, Sceptre may arrange for such securities to be voted by the beneficial unitholders of the applicable Top Fund.

Purchases, Switches and Redemptions

Classes of Units

We offer four classes of units, called Class A Units, Class D Units, Class F Units and Class O Units. The following table sets out the classes of units offered by each Fund.

Funds	Class A Units	Class D Units	Class F Units	Class O Units
Sceptre Income & Growth Fund	√	√	√	√
Sceptre Bond Fund	√	√		√
Sceptre High Income Fund	√	√	√	√
Sceptre Canadian Equity Fund	√	√	√	√
Sceptre Equity Growth Fund	√	√	√	√
Sceptre U.S. Equity Fund				√
Sceptre Global Equity Fund	√	√		√
Sceptre Money Market Fund	√			√
Sceptre Large Cap Canadian Equity Fund				√

Class A Units

Class A Units are available to all investors. Class A Units may be changed into Class D Units of the same Fund or another Fund at the investor's request and with the Manager's approval. There are no differences between the Class A and D Units other than the differences in management fees and trailer fees paid. Class A Units may also be changed into Class F or Class O Units of the same Fund or another Fund at our discretion subject to certain eligibility requirements.

Class D Units

Class D units are available to all investors. Class D Units may be changed into Class A Units of the same Fund or another Fund at the investor's request and with the Manager's approval. There are no differences between the Class A and D Units other than the differences in management fees and trailer fees paid. Class D Units may also be changed into Class F or Class O Units of the same Fund or another Fund at our discretion subject to certain eligibility requirements.

Class F Units

Class F Units are available to investors who participate in dealer-sponsored "fee-for-service" or wrap programs and whose broker or dealer has entered into an agreement with us to sell Class F Units. Instead of paying sales charges, investors pay their broker or dealer a fee for investment advice and other services they provide rather than commissions on each transaction. We don't pay any commissions or trailer fees to dealers or brokers who sell Class F Units, which means we can charge a lower management fee.

Participation in Class F Units is only available with our prior consent as determined by us in our discretion, and with the consent of your dealer organization. Investors wishing to purchase Class F Units must also meet the minimum investment levels as determined by us from time to time in our discretion. Your dealer is responsible for deciding whether you are eligible to buy and continue to hold Class F Units. If you're no longer eligible to hold Class F Units, your dealer is responsible for telling us to change your units into Class A or Class D Units of the same fund or to redeem them. You can change from Class F Units to Class A, Class D or Class O Units of the same or another Fund subject to our approval and the eligibility requirements (where applicable).

Class O Units

Class O Units are designed for institutional and high net worth investors, including other funds, who are entitled to reduced management fees because of the lower cost of servicing large dollar investments in the Funds. Only investors who meet our discretionary account requirements and minimum investment levels will be eligible to purchase Class O Units. Minimum investment levels may vary by fund and are set at our discretion. We reserve the right to make exceptions at our discretion. Investors in Class O Units pay a fee directly to us for our investment advisory services. The management fees paid by the Funds are not charged to the Class O Units, but the Class O Units are charged their share of all other expenses.

If the market value of your investment in Class O Units of a Fund falls below our minimum investment requirement for Class O Units due to redemptions or declines in unit price, we may, at our option, change your units into Class A Units of the same Fund after giving you 30 days' prior written notice. You may wish to invest additional money in the Fund during this period to maintain the status of your investment in Class O Units.

You may change your Class O Units to Class A, Class D or Class F Units of the same or another Fund subject to our approval and the eligibility requirements (where applicable).

Purchases

You may purchase, switch (transfer from one Fund to another) or redeem Class A Units directly through our subsidiary, Sceptre Mutual Fund Dealer Inc., in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick. You may purchase all classes of units of the Funds, other than Class O Units, through an investment dealer or mutual fund dealer registered in your province or territory (referred to as "Other Dealers"). Class O Units may only be purchased directly from us.

You buy, switch and redeem units at the net asset value ("NAV") per unit of each class of units of a Fund. The NAV per unit of each class of units of a Fund is calculated as at the close of trading of the Toronto Stock Exchange (the "TSX") (normally 4:00 p.m. Toronto time) on each day the TSX is open for trading, or in the case of Sceptre Money Market Fund, as at 4:00 p.m. Toronto time on each day, other than a Saturday or Sunday, on which Canadian chartered banks are open for business. If the TSX closes early on any day, the NAV per unit of each class of units of a Fund will be calculated as at that earlier closing time.

All purchases, switches and redemptions are completed by using the NAV per unit of each class of units of a Fund next calculated after receipt by the Fund of a purchase, switch or redemption order. The cut-off time for same day processing is 4:00 p.m. Toronto time on a day on which the TSX is open for regular trading, or in the case of Sceptre Money Market Fund, on any day other than a Saturday or Sunday on which Canadian chartered banks are open for business. All requests received by the Registrar, or other authorized intermediary, before the cut-off time will be processed that same day, at that day's NAV per unit of the applicable class of units. Orders received after the cut-off time will be processed the next business day, as of that next business day's NAV per unit of that class. Your dealer is responsible for transmitting orders to us by the cut-off time. On any day that the TSX closes early, the cut-off time for same-day processing will be that earlier closing time.

Purchase Options

You pay no sales commissions if you buy Class A Units directly from Sceptre Mutual Fund Dealer Inc. The entire amount you invest will be used to buy Class A Units. If you buy Class A Units through Other Dealers, they may charge you a fee as described under "Fees and Expenses". In respect of Class A Units we will pay trailer fees to your dealer and we will retain investment management fees from the Fund on the net amount. See "Fees and Expenses" on page 15 and "Dealer Compensation" on page 19.

Class F Units are available without any sales commission to qualified investors, which means that you pay no sales charge when you buy and sell Class F Units. If you would like to buy Class F Units, please contact your dealer or broker.

To open an account and invest in Class A Units, Class D Units or Class F Units of the Funds, your first investment must be at least \$5,000. After your first investment, you can make further investments of as little as \$1,000 each or buy units through our pre authorized chequing plan described below. We will determine, and from time to time may change, the minimum amounts for initial and subsequent investments in any class of the Funds.

Institutional and other larger investors who would like to invest in Class O Units of a Fund should contact us to open an investment account. The investment account can be operated as either a discretionary or non-discretionary account subject to our minimum investment level currently applicable for the relevant Fund.

Each Fund reserves the right to redeem any units held in your account should the aggregate NAV of all Class A, Class D or Class F Units of all Funds held in your account be less than \$5,000. You will be given 30 days' notice prior to such redemption, during which time you may invest more money to increase the aggregate net assets held in your account above \$5,000. We may redeem Class O Units held in your account should the aggregate NAV of these units fall below a certain level at our discretion.

We may reject your purchase order within one business day of receiving it. If we do reject your purchase order, all monies received with your order will be returned immediately.

Further information on the processing of purchase orders is contained in the Annual Information Form.

Switches

You can switch all or part of your investment from one Fund to another, or from one class to another within the same Fund, by giving us a written direction. A switch is actually a redemption of some or all units of a class of a Fund that you already own and a purchase of units of the same class in a new Fund or Funds or in a new class of the same Fund or another Fund. You can only switch into classes of units if you meet all applicable eligibility requirements for those classes of units. Each year you are allowed to make up to six switches at no cost. We reserve the right to charge an administrative fee for each switch exceeding the yearly limit. In addition, switches are treated as redemptions for purposes of the imposition of any redemption charge or short term trading fee. The restriction on the number of switches and the administrative fee are to discourage excessive switching which can hurt the Fund's performance and have a negative effect on unitholders through their fund performance and through transaction charges to the Fund. We do not encourage investors to attempt to outguess the market but encourage them to view their holdings as long-term investments. Please see the table entitled "Fees and Expenses Payable Directly by You" on page 18. We also reserve the right at any time without notice to limit or withdraw the privilege of switching at no cost.

Switches are dispositions for tax purposes, and may give rise to capital gains or capital losses. For the tax consequences of switches, please see "Income Tax Considerations for Investors" on page 20.

Switch Fees

There is no fee payable for switches unless the switch is made within 90 days of trading (see "Short Term Trading" below and "Short Term Trading Fees" on page 18) and/or if more than six switches are made within a calendar year. If more than six switches per calendar year are made, the additional switches may incur a switch fee of 1% of the total market value of the units being switched. See "Switch Fees" on page 12.

Redemptions

At any time you may redeem, or you may direct your dealer to redeem for you, units of a Fund by sending us a redemption request. We will attempt to promptly notify you or your dealer if we are missing any information needed to process your request. We will typically require that your signature on the redemption request be guaranteed by a bank, trust company, member of a recognized stock exchange or other third party acceptable to us. Further information on the processing of redemptions is contained in the Annual Information Form.

There is no redemption fee, but a short term trading fee will be applied if you are redeeming units that you have owned for less than 90 days. See "Fees and Expenses". This fee will not be charged if the redemption is caused by your death within the 90 day period, or if you are exercising your legal right of withdrawal or cancellation as explained on page 22. There is no short term trading fee if you are redeeming units of either class of Sceptre Money Market Fund.

Under extraordinary circumstances we may be required to suspend your right to redeem units. This would occur only in the following circumstances:

- market trading has been suspended on a stock or derivatives exchange on which more than 50% of the Fund's assets are listed if those securities are not traded on another market or exchange that represents a reasonable and practical alternative, or
- we have obtained permission from the Canadian securities regulatory authorities to temporarily suspend redemptions.

If we suspend redemption rights before we have calculated the redemption price you may either withdraw your redemption request or redeem your units at the applicable NAV per unit of that class next calculated after the suspension has ended.

Short Term Trading

The Funds should be considered to be long term investments and Sceptre discourages investors from buying units of the Funds and then redeeming or switching those units with excessive frequency. Excessive trading is discouraged because it generates significant costs for the Funds, reducing the returns of the Funds and affecting all of the Funds' unitholders. Excessive trading can also interfere with the investment management of the Funds, as Funds may be required to sell assets to fund redemptions at unfavourable times or alter their longer term investment decisions, which may reduce the returns of the Funds.

Sceptre considers that a redemption or switch of units of the Funds other than Sceptre Money Market Fund within 90 days of purchase of those units is excessive trading. Sceptre monitors for this activity, and will impose a short term trading fee on such redemptions or switches of up to 2% of the purchase amount at its discretion, payable to the relevant Fund. This fee will not be charged if the redemption is caused by your death within the 90 day period, or if you are exercising your legal right of withdrawal or cancellation as explained on page 22.

Optional Services

Registered Plans

You may arrange for a Sceptre registered retirement savings plan ("RRSP"), retirement income fund ("RRIF"), locked-in retirement savings plan ("LRSP"), locked-in retirement income fund ("LRIF"), locked-in retirement account ("LIRA"), life income fund ("LIF"), prescribed registered retirement income fund ("PRIF"), deferred profit sharing plan ("DPSP") and tax-free savings account ("TFSA") under which The Royal Trust Company as trustee, or another trustee as we may appoint, will, on your behalf, register such RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA under the Income Tax Act (Canada) (the "Tax Act") and, if applicable, under the provisions of any similar provincial legislation. All deposits received by the trustee under a Sceptre RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA will be used to buy units, as you direct, at their NAV per unit of the applicable class from time to time. All distributions of units held in a Sceptre RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP or TFSA will be reinvested in additional units of the same class of units of the same Funds at their current NAV per unit of that class. Further details can be found in the application forms and the declaration of trust for the Sceptre RRSP, RRIF, LRSP, LRIF, LIRA, LIF, PRIF, DPSP and TFSA, copies of which are available from us or your dealer.

You may also buy units of the Funds under your own self-administered RRSP, RRIF, registered education savings plan ("RESP"), LIRA, LRSP, LRIF, LIF, PRIF, DPSP, TFSA or registered disability savings plan ("RDSP") (these funds, plans and accounts are collectively referred to as "registered plans"). You should review the section entitled "Income Tax Considerations for Investors" on page 20.

You are encouraged to consult with your own tax advisor for full details of the tax implications of establishing, contributing to and terminating RRSPs, RRIFs, LRSPs, LRIFs, LIRAs, LIFs, PRIFs, DPSPs, RESPs, RDSPs and TFSAs.

Pre-Authorized Chequing Plan

You may wish to buy units of one or more Funds through our pre-authorized chequing plan by authorizing us to deduct a specified Canadian dollar amount from your bank account. After any applicable minimum account balance has been achieved, you can invest further amounts:

- monthly, with minimum investments of \$100 each with a \$25 minimum per Fund;
or
- quarterly, with minimum investments of \$300 each with a \$25 minimum per Fund.

Other Dealers may offer a similar periodic purchase plan.

When you enrol in our pre-authorized chequing plan, you will receive a copy of the current prospectus of the Funds and any amendments to that prospectus. Thereafter, you will only be sent an annual renewal prospectus and amendments upon request.

You can request that a copy of the annual renewal prospectus and any amendments be sent to you at the time you enrol in the pre-authorized chequing plan, or at any time thereafter by calling us toll-free at 1-800-265-1888, by email at mail@sceptre.ca or by asking your dealer. The Funds' annual renewal prospectus and any amendments can also be found at www.sedar.com or on our website at www.sceptre.ca.

You have a statutory right to withdraw from an initial purchase of the Funds under our pre-authorized chequing plan but, you do not have a statutory right to withdraw from subsequent purchases of the Funds under the pre-authorized chequing plan. However, you continue to have all other statutory rights under securities law, including a misrepresentation right as described under "What Are Your Legal Rights" on page 22, whether or not you have requested a renewal prospectus.

Fees and Expenses

This table lists the fees and expenses that you may have to pay when you invest in the Funds. You may have to pay some of these fees and expenses directly to Other Dealers through which you buy units. Your Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

FEES AND EXPENSES PAYABLE BY THE FUNDS

Management Fees

The management fee rate for each Class of Units is set out in the following table. Management fees are subject to applicable taxes, including HST. The rate is an annual percentage of the average NAV of the class:

	<u>Class A</u>	<u>Class D</u>	<u>Class F</u>	<u>Class O</u>
Sceptre Income & Growth Fund	1.25%	2.00%	1.00%	*
Sceptre Bond Fund	0.75%	1.00%	N/A	*
Sceptre High Income Fund	1.25%	2.00%	1.00%	*
Sceptre Canadian Equity Fund	1.25%	2.00%	1.00%	*
Sceptre Equity Growth Fund	1.25%	2.00%	1.00%	*
Sceptre U.S. Equity Fund	N/A	N/A	N/A	*
Sceptre Global Equity Fund	1.75%	2.50%	N/A	*
Sceptre Money Market Fund	0.50%	N/A	N/A	*
Sceptre Large Cap Canadian Equity Fund	N/A	N/A	N/A	*

* Class O investors pay us a fee for our investment advisory services, at rates lower than the rates charged to the Class A Units. We charge the fee either monthly or quarterly and review it from time to time. Clients should contact their own tax advisors with respect to the deductibility of this fee.

Each of Sceptre Large Cap Canadian Equity Fund, Sceptre Income & Growth Fund, Sceptre Bond Fund, Sceptre High Income Fund, Sceptre Canadian Equity Fund, Sceptre Equity Growth Fund and Sceptre Global Equity Fund, ("Top Funds") may invest a portion of its assets in other funds ("Underlying Funds"). The fees and expenses payable in connection with the management of the Underlying Funds are in addition to those payable by the Top Funds. However, we make sure that the Top Funds do not pay duplicate management fees on the portion of their assets that they invest in Underlying Funds. There will be no sales or redemption fees payable in relation to the purchase of securities in other mutual funds.

We may authorize a reduction in the management fee rates borne by a Fund's investors (primarily group plan arrangements) in Class A, Class D and Class F Units. To effect such a reduction, we reduce the management fee we charge to the Fund with respect to the particular investor's units and the Fund

	<p>distributes the amount of such reduction to that investor as a special distribution (“Management Fee Distribution”). A Fund will calculate and accrue Management Fee Distributions, where applicable, on a daily basis, and such amounts will be distributed at such intervals as we determine from time to time. Generally, Management Fee Distributions are paid first out of net income and net realized capital gains and then out of capital. Management Fee Distributions will automatically be reinvested in additional Class A Units, Class D Units or Class F Units of such Fund, as applicable.</p>
<p>Operating Expenses</p>	<p>Each Fund pays all of its operating expenses, which include brokerage commissions and portfolio transaction fees, interest expenses and taxes (if any) as well as legal, audit, transfer agent and custodian fees, the costs of financial reporting and prospectus printing as well as regulatory filing fees. The fees and expenses of the Funds’ IRC, composed of compensation paid to the committee members and the expenses of committee members that are associated with the IRC, are also payable by the Funds. Each Fund pays a proportionate share of the following compensation: \$20,000 to the Chairman of the IRC and \$15,000 to each other member of the IRC as an annual retainer, and a per meeting fee of \$1,500 to the Chairman of the IRC and \$1,000 to each other member of the IRC.</p> <p>Operating expenses will be allocated between the classes of Units as we consider appropriate for the services used by each class.</p> <p>We may, in some years and in certain cases, pay a portion of the Funds’ operating expenses. The decision to absorb expenses is reviewed at least annually and determined at the discretion of the manager, without notice to unitholders.</p> <p>We will give unitholders 60 days’ written notice of any change to the basis of the calculation of the fees or expenses that are charged to a Fund or its unitholders by an arm’s length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to a Fund or its unitholders by an arm’s length party that could result in an increase in charges.</p> <p>The Funds are required to pay HST on most of their expenses.</p>

FEES AND EXPENSES PAYABLE DIRECTLY BY YOU	
Sales Charges	You pay no sales charges for Class A Units purchased through Sceptre Mutual Fund Dealer Inc. If you purchase Class A Units or Class D Units through another dealer then you may pay between 0-5% of the total amount of your purchase order to that dealer. There are no sales charges to purchase Class F or Class O Units. For Class F Units you will pay a fee agreed upon between you and your investment adviser.
Switch Fees	Six switches per calendar year are permitted at no cost. Additional switches may incur a charge of 1% of the total market value of units being switched. See "Short Term Trading Fees" below.
Redemption Fees	See "Short Term Trading Fees" below.
Short Term Trading Fees	Up to 2% of the purchase amount on a redemption or switch of units within 90 days of purchase (except for units of Sceptre Money Market Fund), payable to the Fund.
Registered Plan Fees	Nil
Other Fees and Expenses	
Management Fees on Class O Units	Investors in Class O Units of a Fund appoint us as investment advisors. They pay directly to us a fee based on the net asset values of all investments managed including those units at a rate reflective of the total services provided to them.
Courier Charges	If you request courier delivery of your redemption proceeds we will charge you the costs of such courier service.
NSF Fee	\$25 per NSF cheque or NSF pre-authorized chequing withdrawal, plus applicable taxes.

Impact of Sales Charges

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

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
No Load Option: Purchase of Class A Units of a Fund made directly from Sceptre Mutual Fund Dealer Inc.	Nil	Nil	Nil	Nil	Nil
Purchase of Class O Units of a Fund made directly from us.	Nil	Nil	Nil	Nil	Nil
Sales Charge Option: Purchase of Class A Units, Class D Units and Class F Units of a Fund made through Other Dealers.	\$50.00 (Class A and Class D Units only)	Nil	Nil	Nil	Nil

Additional fees may apply on short-term redemptions and switches. See the “Fees and Expenses” table above for more details

Dealer Compensation

Trailer Fees

To assist with distribution, administration and other client services, at the end of each quarter, in relation to Class A and Class D Units of all Funds other than Sceptre Money Market Fund, we pay dealers a trailer fee out of the management fees that we receive. The trailer fee is a percentage of the total NAV per unit of all Class A and Class D Units of all Funds held by each dealer’s clients. The trailer fee is paid so long as such Class A and Class D Units continue to be held by clients through the dealer. This table shows the annual trailer fee rate we pay.

Funds	Trailer Fees on Class A Units	Trailer Fees on Class D Units
Sceptre Income & Growth Fund	0.25%	1.00%
Sceptre Bond Fund	0.25%	0.50%
Sceptre High Income Fund	0.25%	1.00%
Sceptre Canadian Equity Fund	0.25%	1.00%
Sceptre Equity Growth Fund	0.25%	1.00%
Sceptre U.S. Equity Fund	-	-
Sceptre Global Equity Fund	0.25%	1.00%
Sceptre Money Market Fund	Nil	-
Sceptre Large Cap Canadian Equity Fund	-	-

We may change the trailer fee rate or cancel it at any time. We do not pay trailer fees on Class F Units, Class O Units or units bought directly from Sceptre Mutual Fund Dealer Inc.

Referral Fees

When a dealer or other intermediary refers a client to us who invests in Class O Units of a Fund, we may pay the intermediary a referral fee. The referral fee is a percentage of the intermediary's total client net assets invested in Class O Units of the Fund and is paid quarterly. We pay the fee out of the management fee paid to us – it is not charged to unitholders or to the Fund.

Dealer Compensation from Management Fees

For our financial year ended November 30, 2009 we paid total cash compensation (trailer commissions) to dealers who distribute units of the Funds of approximately 20.3% of the total management fees received by us from all of our Funds.

Income Tax Considerations For Investors

This summary assumes that you are an individual (other than a trust), that you are resident in Canada, that you deal at arm's length with the Funds, and that you hold units as capital property, for the purposes of the Tax Act. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the current published administrative practices and policies of the Canada Revenue Agency. More detailed tax information is in the Annual Information Form. This summary assumes that each Fund will qualify as a mutual fund trust under the Tax Act effective at all material times. This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Investors should seek independent

advice regarding the tax consequences of investing in units, based upon the investors' own particular circumstances.

For Units Held in a Registered Plan

If units of a Fund are held in a registered plan, distributions from the Fund and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the registered plan (withdrawals from a TFSA are not taxable, and RESPs and RDSPs are subject to special rules).

For Units Not Held in a Registered Plan

If you hold units outside of a registered plan, you will be required to include in computing your income for tax purposes the amount of the net income and the taxable portion of the net capital gains paid or payable to you by the Fund in the year (including Management Fee Distributions), whether you receive these distributions in cash or they are reinvested in additional units. To the extent that the Funds so designate under the Tax Act, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations and foreign source income of a Fund paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character. An enhanced dividend tax credit is available for certain eligible dividends from taxable Canadian corporations. To the extent that the distributions (including Management Fee Distributions) to you by a Fund in any year exceed your share of the net income and net capital gains of that Fund allocated to you for that year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not be taxable to you but will reduce the adjusted cost base of your units in the Fund. If the adjusted cost of your units of a Fund would otherwise be less than zero you will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the units will be increased to zero.

You will be taxable on distributions of income and capital gains, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. If you buy units prior to a distribution you may have to pay tax on income and capital gains the Fund earned before you bought your units. You should bear this in mind when buying units.

If you dispose of your units, whether by switch, redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. Fifty percent of a capital gain (or a capital loss) is generally included in determining your taxable capital gain (or allowable capital loss). Capital gains realized, and Canadian dividends received may give rise to alternative minimum tax.

In general, the aggregate adjusted cost base of your units in a Fund equals:

- the amount of your initial investment in the Fund (including any sales charges paid)
- **plus** the amount of any additional investments in the Fund (including any sales charges paid)

- **plus** the amount of any reinvested distributions (including Management Fee Distributions)
- **minus** the amount of capital returned in any distributions
- **minus** the adjusted cost base of any previous redemptions

A change of units of a class of a Fund into units of a different class of the same Fund will not in itself result in a disposition of the units being changed.

Class O unitholders should consult with their tax advisors regarding the deductibility of fees paid to us.

What Are Your Legal Rights?

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

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or financial statements misrepresent any facts about the Funds. There are certain time limits within which you must exercise these rights.

For more information, refer to your province's or territory's securities legislation or consult your lawyer.

Specific Information about Each of the Mutual Funds Described in this Document

Overview

In this part of the prospectus we have set out fund-specific information to help you compare the Funds and evaluate which ones are appropriate for your investment needs. The specific information for each Fund is divided into the following sections:

Fund Details

This section identifies the type of fund, the types and classes of securities of the Fund that are available, the date on which each class of each Fund was started and the Fund's eligibility as an investment for Registered Plans.

What Does the Fund Invest In?

This section provides the investment objectives and strategies of each Fund. Each Fund will need the approval of its unitholders to change its fundamental investment objectives.

<p>Investment Objectives = a Fund's goals, including the kinds of securities it invests in</p> <p>Investment Strategies = how a Fund's portfolio manager attempts to achieve the objectives</p>

The Funds follow standard investment restrictions and practices established by the Canadian securities regulatory authorities.

Although the money you invest to buy units of any particular class is tracked on a class by class basis in each Fund's records, the assets of all classes of a Fund are combined into a single pool to create one portfolio for investment purposes.

What are the Risks of Investing in the Fund?

This section lists the specific risks associated with each Fund's investment strategy. A detailed description of these risks is set out starting on page 2 under the heading "Investment Risks".

Distribution Policy

As a unitholder, you are entitled to your share of a Fund's net income and net realized capital gains on its investments. Each Fund passes substantially all of its earnings along to its unitholders as distributions. A Fund earns income in the form of dividends from stocks and interest from debt securities. A Fund realizes capital gains when it sells securities for a higher price than it paid.

This section tells you how often each Fund will make a distribution of income and capital gains.

Fund Expenses Indirectly Borne by Investors

This section helps you to compare the cumulative costs of investing in Class A, Class D, Class F and Class O Units of a Fund, as applicable, with the similar costs of investing in other mutual funds. For each Fund the table shows the amount of fees and expenses of the Fund which would apply to the applicable classes of units, over various time periods to each \$1,000 investment you make, assuming:

- the Fund's annual performance is a constant 5% per year (which is the standard rate of performance to be used for exhibit purposes only); and
- the Fund's management expense ratio remained at the same level for the entire 10-year period as it was in its most recent financial year. For Class O Units it does not include the fee paid by you directly to us for our investment advisory services.

Because the 5% performance rate and the constant management expense ratio are only assumptions for comparison purposes, your actual costs will be lower or higher.

Sceptre Income & Growth Fund	
FUND DETAILS	
TYPE OF FUND	Balanced
DATE FUND STARTED	Class A Units: November 22, 1985 Class D Units: April 30, 2009 Class O Units: July 13, 2001 Class F Units: December 1, 2006
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D, F and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

- To achieve over a longer-term investment horizon, the highest possible return consistent with a fundamental investment philosophy which emphasizes broad diversification across and within all major security classes.
- The Fund invests primarily in Canadian equity and fixed-income securities.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The Fund uses an asset mix strategy as well as individual security selection in both equity and fixed income components to achieve the highest possible return with moderate risk.
- Asset mix decisions reflect the return outlook for the various asset classes under expected economic and market conditions.
- The equity component includes both Canadian and foreign stocks and is managed utilizing a globally integrated approach. In-depth stock and industry analysis is

conducted and is supplemented with quantitative value/growth and financial quality screens to monitor a large universe of companies world-wide.

- In addition to stock selection, equity portfolio construction is extremely important. Each security is considered based on its own investment merits as well as its potential affect on the overall risk/reward profile of the Fund. Economic factors, industry exposures and geography are carefully considered and reviewed in constructing the portfolio. Weightings are a reflection of our bottom-up stock selection process and our portfolio risk analysis.
- In the bond component, investments are made in Canadian corporate and municipal bonds, government securities and global bonds.
- The Fund invests in Canadian corporate and municipal bonds to obtain higher yields, government securities to adjust the overall bond mix and duration call and global bonds for foreign currency and rate exposure.
- Allocation between the various sectors, as well as security selection, is influenced by various factors including: interest rate movement, inflation, economic developments and credit/quality ratings.
- The Fund may invest in international debt and equity markets.
- The Fund's investments in non-Canadian securities will generally not exceed 30% of its assets taken at book value.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.
- The Fund's portfolio turnover rate has been, and may again be, greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's

income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- credit risk
- interest rate risk
- market risk
- currency risk
- foreign investment risk
- small cap risk
- concentration risk
- securities lending risk
- derivative risk
- large redemption risk

Who Should Invest in this Fund?

This Fund is suitable for investors seeking a well diversified portfolio who prefer a professional money manager to simultaneously make the asset mix and security selection decisions based on a growth with value investing approach.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund aims to pay a distribution equal to a yield of 5% per annum. The distributions will be made monthly consisting of income and, to the extent necessary, as a return of capital. Investors will be advised of any change in the distribution rate. The Fund distributes capital gains and any previously undistributed income each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund's current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	18.87	59.55	104.51	238.71
Class D	\$	23.58	74.44	130.64	298.39
Class F	\$	12.61	39.81	69.86	159.57
Class O	\$	2.36	7.44	13.06	29.84

Sceptre Bond Fund	
FUND DETAILS	
TYPE OF FUND	Bond
DATE FUND STARTED	Class A Units: November 22, 1985 Class D Units: April 30, 2009 Class O Units: July 13, 2001
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

- To provide safety of capital and high current income primarily through investment in Canadian income securities.
- The Fund will primarily invest in short and long-term debt securities issued or guaranteed by Federal, Provincial, and Municipal governments, as well as those issued by Canadian companies
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The Fund invests in Canadian corporate and municipal bonds to obtain higher yields, government securities to adjust the overall bond mix and duration call and global bonds for foreign currency and rate exposure.
- Allocation between various sectors as well as security selection, is influenced by various factors including: interest rate movements, inflation, economic developments and credit/quality ratings.
- The Fund may take advantage of returns offered by foreign income producing securities issued by foreign issuers.

- The Fund's investments in non-Canadian securities will generally not exceed 30% of its assets taken at book value.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund's portfolio turnover rate has been, and may again be, greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- credit risk
- interest rate risk
- market risk
- currency risk
- foreign investment risk
- concentration risk
- securities lending risk
- large redemption risk

Who Should Invest in this Fund?

This Fund is suitable for investors looking to provide balance to an equity-weighted portfolio, or seeking the potential of higher returns than are typically found with short-term investment vehicles.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund's current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	13.02	41.10	72.14	164.76
Class D	\$	12.30	38.84	68.16	155.68
Class O	\$	1.23	3.88	6.82	15.57

Sceptre High Income Fund	
FUND DETAILS	
TYPE OF FUND	Income
DATE FUND STARTED	Class A Units: September 7, 2001 Class D Units: April 30, 2009 Class O Units: August 31, 2005 Class F Units: December 1, 2006
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D, F and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

- To provide a high level of income along with moderate capital growth by primarily investing in a diversified portfolio of Canadian securities, including real estate investment trusts (REITs), income trusts, fixed-income securities and high-yielding equities.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The Fund will primarily invest in REITs, income trusts, high-yielding Canadian equities and fixed income instruments.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's return.
- Investments for the Fund will be chosen on a fundamental basis. Emphasis is on the track record of management, quality of assets, competitive/sustainable advantages, and discounted cash flow valuation.

- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may invest in non-Canadian securities. The Fund's investments in non-Canadian securities will generally not exceed 35% of its assets taken at book value.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund's portfolio turnover rate has been, and may again be, greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- credit risk
- income trust risk
- interest rate risk
- market risk
- concentration risk
- securities lending risk
- large redemption risk

Who Should Invest in this Fund?

This Fund is suitable for investors looking for high levels of income along with moderate capital growth.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund aims to pay a distribution equal to a yield of between 5% to 7% per annum. The distributions will be made monthly consisting of income and, to the extent necessary, as a

return of capital. Investors will be advised of any change in the distribution rate. The Fund distributes capital gains and any previously undistributed income each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund's current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	18.66	58.90	103.38	236.11
Class D	\$	23.58	74.44	130.64	298.39
Class F	\$	14.77	46.60	81.79	186.82
Class O	\$	2.26	7.12	12.50	28.54

Sceptre Canadian Equity Fund	
FUND DETAILS	
TYPE OF FUND	Canadian Equity
DATE FUND STARTED	Class A Units: July 31, 1998 Class D Units: April 30, 2009 Class O Units: July 13, 2001 Class F Units: December 1, 2006
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D, F and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

- To achieve over the longer term the highest possible return that is consistent with a conservative investment philosophy encompassing a diversified portfolio approach.
- Investing primarily in equity securities of large and medium sized Canadian companies with a focus on high quality, solid companies with financial strength and growth prospects.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The investment style is a blend of value with growth, incorporating both a bottom-up (75%) and a top-down (25%) process.
- The Fund is a core diversified portfolio of large, medium and small capitalization stocks, with an emphasis and focus on large to medium companies
- High quality companies are selected if they represent good value based on financial strength, earnings growth, strong management and superior products/services. The “bottom-up” approach is more concerned with the selection of individual securities and relies on a detailed analysis of companies and their securities. Analysis of company

finances and operation is often the most critical element of the security selection. The “top down” approach begins with a broad overview of the economy and narrows down to sectors of the economy and specific companies whose securities offer the most promise at a given point in the economic cycle.

- The Fund does not have a bias towards any particular sector. Stock selection is broadly diversified amongst four broad market categories - Interest sensitive, Consumer related, Resource and Industrial.
- The Fund may invest in international equity markets.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund's investments in non-Canadian securities will generally not exceed 30% of its assets taken at book value.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.
- The Fund's portfolio turnover rate has been, and may again be, greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.
- The Fund may engage in short selling, as described on page 6 under the heading “Short Selling Risk”. Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading “Investment Restrictions”, including the following:
 - (a) All short sales will be implemented using market facilities through which those securities are normally bought and sold.

- (b) Securities will be sold short for cash, with the Fund assuming the obligation to return the borrowed securities to the lender. The Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is effected.
- (c) The security interest provided by the Fund over Fund assets will be granted in accordance with industry practice for short sale transactions and will relate only to obligations arising under such transactions.
- (d) Securities sold short will be liquid securities that are
 - (i) listed and posted for trading on a stock exchange and (A) each issuer of a security sold short has a market capitalization of at least C\$300 million at the time of the short sale, or (B) the Fund has pre-arranged to borrow for the purpose of such sale, or
 - (ii) bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America.
- (e) The total market value of all securities of an issuer sold short by the Fund will not exceed 5% of the total net assets of the Fund, and the Fund will place a “stop-loss” order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short.
- (f) The total market value of all securities sold short by the Fund will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis.
- (g) The Fund will hold “cash cover” (as defined in National Instrument 81-102 Mutual Funds (“National Instrument 81-102”)) in an amount that is at least 150% of the total market value of all securities sold short by the Fund on a daily marked-to-market basis.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- market risk
- currency risk
- foreign investment risk
- small cap risk
- concentration risk
- securities lending risk
- derivative risk
- short selling risk
- large redemption risk

As at July 31, 2010, the Fund had two investors that held 25.2% and 22.9% respectively of the units of the Fund. See “Large Redemption Risk” on page 5 for a description of the risks associated with possible redemption requests by these investors.

Who Should Invest in this Fund?

This Fund is suitable for investors looking for a well diversified portfolio of equity securities with a bias toward medium to larger capitalization stocks. Investors should be seeking higher investment return over the long run and should be comfortable with the possibility of short-term volatility.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund’s current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	18.87	59.55	104.51	238.71
Class D	\$	23.58	74.44	130.64	298.39
Class F	\$	15.59	49.19	86.34	197.19
Class O	\$	1.03	3.24	5.68	12.97

Sceptre Equity Growth Fund	
FUND DETAILS	
TYPE OF FUND	Canadian Equity
DATE FUND STARTED	Class A Units: November 20, 1986 Class D Units: April 30, 2009 Class O Units: July 13, 2001 Class F Units: December 1, 2006
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D, F and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

- To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy.
- The Fund invests primarily in Canadian equity securities issued by Canadian companies, with a significant bias toward small to medium capitalization stocks.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The investment style is a combination of value and growth, with stock selection being the key investment approach.
- This Fund focuses on investing in top quality companies when they represent good value. Companies are selected based on strong earnings growth and momentum, superior management, good profit margins, and strong balance sheets.
- The Fund is well diversified across a broad spectrum of industry groups.
- The Fund may invest in international equity markets.

- The Fund's investments in non-Canadian securities will generally not exceed 30% of its assets taken at book value.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund may engage in short selling, as described on page 6 under the heading "Short Selling Risk". Short selling will be used only in compliance with the investment objective of the Fund, and will be subject to the controls and restrictions set out in the Annual Information Form of the Funds under the heading "Investment Restrictions", including the following:
 - (a) All short sales will be implemented using market facilities through which those securities are normally bought and sold.
 - (b) Securities will be sold short for cash, with the Fund assuming the obligation to return the borrowed securities to the lender. The Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is effected.
 - (c) The security interest provided by the Fund over Fund assets will be granted in accordance with industry practice for short sale transactions and will relate only to obligations arising under such transactions.
 - (d) Securities sold short will be liquid securities that are
 - (i) listed and posted for trading on a stock exchange and (A) each issuer of a security sold short has a market capitalization of at least C\$300 million at the time of the short sale, or (B) the Fund has pre-arranged to borrow for the purpose of such sale, or
 - (ii) bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America.
 - (e) The total market value of all securities of an issuer sold short by the Fund will not exceed 5% of the total net assets of the Fund, and the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short.

- (f) The total market value of all securities sold short by the Fund will not exceed 20% of the net assets of the Fund on a daily marked-to-market basis.
- (g) The Fund will hold “cash cover” (as defined in National Instrument 81-102 Mutual Funds) in an amount that is at least 150% of the total market value of all securities sold short by the Fund on a daily marked-to-market basis.
- (h) The Fund will provide existing Unitholders with not less than 60 days’ written notice prior to implementing short selling.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- market risk
- currency risk
- foreign investment risk
- small cap risk
- concentration risk
- securities lending risk
- short selling risk
- large redemption risk

Who Should Invest in this Fund?

This Fund is suitable for investors looking for a diversified portfolio of equity securities with a larger weighting in small to medium capitalization stocks. Investors should be seeking higher investment return over the long run and should be comfortable with the possibility of short-term volatility.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund’s current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	17.94	56.64	99.40	227.03
Class D	\$	22.05	69.58	122.12	278.93
Class F	\$	15.38	48.55	85.20	194.60
Class O	\$	1.03	3.24	5.68	12.97

Sceptre U.S. Equity Fund	
FUND DETAILS	
TYPE OF FUND	U.S. Equity
DATE FUND STARTED	Class O Units: August 22, 2008
SECURITIES OFFERED	Mutual Fund Trust Units: Class O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objective

- To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through investment primarily in U.S. equity securities.
- To provide long-term capital appreciation through a portfolio of broadly diversified securities, by industry, invested primarily in the U.S. market.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The Fund employs a fundamental approach to investing. In-depth stock and industry analysis is conducted by a team of investment professionals and is supplemented with quantitative value/growth and financial quality screens to monitor the universe of U.S. based companies.
- The Fund invests in high quality companies with valuations or growth profiles that compare favourably to the Fund's comparable benchmark.
- The Fund's investment portfolio is constructed using an integrated approach to investing, considering each security based on its own investment merits as well as from its potential effect on the overall risk/reward profile of the Fund. All holdings are viewed in the context of the portfolio and risk is managed through depth of diversification. Economic factors and industry exposures are carefully considered and reviewed in constructing the portfolio.

- Investment weightings are a reflection of our bottom-up stock selection process and our portfolio risk analysis. These weightings are reviewed and adjusted in the context of our economic outlook.
- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund's portfolio turnover rate may be greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- market risk
- currency risk
- foreign investment risk
- concentration risk
- securities lending risk
- derivative risk
- large redemption risk

As at July 31, 2010, the Fund had one investor that held 11.7% of the units of the Fund. See "Large Redemption Risk" on page 5 for a description of the risks associated with a possible redemption request by this investor.

Who Should Invest in this Fund?

This Fund is suitable for investors seeking foreign portfolio diversification and long-term capital appreciation.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund's current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distribution in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class O	\$	5.23	16.51	28.97	66.16

Sceptre Global Equity Fund	
FUND DETAILS	
TYPE OF FUND	Foreign Equity
DATE FUND STARTED	Class A Units: November 20, 1986 Class D Units: April 30, 2009 Class O Units: July 13, 2001
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A, D and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objective

- To achieve over the longer term the highest possible return that is consistent with a fundamental investment philosophy through investment primarily in foreign equity securities.
- To provide long-term capital appreciation through a portfolio of broadly diversified securities, by region and industry, invested primarily in the U.S. and International markets.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- The Fund employs a fundamental approach to investing. In-depth stock and industry analysis is conducted by a team of investment professionals and is supplemented with quantitative value/growth and financial quality screens to monitor a large universe of companies world-wide.
- The Fund invests in high quality companies with valuations and growth profiles that compare favourably on a world-wide basis.
- The Fund's investment portfolio is constructed using an integrated approach to investing, considering each security based on its own investment merits as well as from its potential effect on the overall risk/reward profile of the Fund. All holdings are viewed in

the context of the portfolio and risk is managed through depth of diversification. Economic factors, industry exposures and geography are carefully considered and reviewed in constructing the portfolio.

- Investment weightings are a reflection of our bottom-up stock selection process and our portfolio risk analysis. These weightings are reviewed and adjusted in the context of our global economic outlook.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund may engage in foreign currency transactions for hedging and non-hedging purposes.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.
- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund's portfolio turnover rate has been, and may again be, greater than 70%. The higher a Fund's portfolio turnover rate, the greater the chance you may receive a distribution from the Fund that must be included in determining a taxable investor's income for tax purposes and the higher the trading costs of the Fund. These costs are an expense of the Fund and are paid out of the Fund's assets, which may reduce your returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- market risk
- currency risk
- foreign investment risk
- concentration risk
- securities lending risk
- derivative risk
- large redemption risk

As at July 31, 2010, the Fund had one investor that held 28.32% of the units of the Fund. See “Large Redemption Risk” on page 5 for a description of the risks associated with a possible redemption request by this investor.

Who Should Invest in this Fund?

This Fund is suitable for investors seeking foreign portfolio diversification and long-term capital appreciation.

This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

The Fund distributes income twice a year, in June and December, and distributes capital gains each December. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund’s current NAV for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	29.94	94.50	165.86	378.82
Class D	\$	30.25	95.48	167.56	382.71
Class O	\$	3.90	12.30	21.58	49.30

Sceptre Money Market Fund	
FUND DETAILS	
TYPE OF FUND	Money Market
DATE FUND STARTED	Class A Units: November 25, 1987 Class O Units: July 13, 2001
SECURITIES OFFERED	Mutual Fund Trust Units: Classes A and O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objective

- To provide as high a level of income as is consistent with the preservation of capital and liquidity. Investments will be primarily in Government of Canada Treasury Bills, Provincial Treasury Bills, and high quality short-term corporate obligations.
- The fundamental investment objectives of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose.

Investment Strategies

- This Fund pursues its investment objectives by investing primarily in high quality securities, generally maturing in not more than one year.
- Investments will be directed into treasury bills, commercial paper, banker's acceptances, or other short-term debt instruments.
- Selection of short-term debt instruments and the term to maturity of the portfolio are based on expected interest rate movements in order to maximize current yields.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2.

- class risk
- credit risk

- interest rate risk
- market risk
- concentration risk
- large redemption risk

As at July 31, 2010, the Fund had one investor that held 14.1% of the units of the Fund. See “Large Redemption Risk” on page 5 for a description of the risks associated with a possible redemption request by this investor.

Who Should Invest in this Fund?

This Fund is suitable for investors who have a short-term investment horizon and are looking for safety of principal and liquidity.

Distribution Policy

Every day this Fund credits its net income (including any net capital gains realized in any year) to each unitholder in proportion to his or her holdings. On the last business day of each month, the total amount credited to each unitholder for that month is reinvested in additional units of the same class of units of the Fund. We will automatically reinvest distributions in additional units of the same class of the Fund at the Fund’s current NAV per unit for that class of unit unless you advise us in writing in advance of the distribution that you would like your distributions in cash.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of the fees and expenses of each class of the Fund which would apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class A	\$	7.38	23.30	40.90	93.41
Class O	\$	1.85	5.83	10.22	23.35

Sceptre Large Cap Canadian Equity Fund	
FUND DETAILS	
TYPE OF FUND	Canadian Equity Fund
DATE FUND STARTED	Class O Units: July 21, 1998
SECURITIES OFFERED	Mutual Fund Trust Units: Class O
REGISTERED PLAN STATUS	Qualified Investment for registered plans under the Tax Act

What Does the Fund Invest In?

Investment Objectives

This Fund's fundamental investment objectives are to:

- achieve long-term growth through capital gains and dividend income
- invest primarily in equity securities of large and medium-sized companies based in Canada
- hold investments over a longer term, which tends to reduce portfolio turnover.

The Fund's fundamental investment objectives cannot be changed without the approval of a majority of votes cast by unitholders of the Fund at a meeting of unitholders.

Investment Strategies

- The Fund's assets are invested primarily in equity securities of well-established companies based in Canada that are likely to offer higher total returns in the form of capital gains and dividend income in a manner that manages overall risk.
- Past and present financial strength and earnings capabilities of each company being considered are reviewed to assess its potential to provide high returns with an acceptable level of risk.

- The Fund may engage in securities lending transactions, which are described in more detail on page 5. The income earned on such transactions will be used to offset expenses incurred by the Fund, thereby enhancing the Fund's returns.
- The Fund may invest a portion of its assets in securities of other mutual funds.
- The Fund may use derivatives, such as futures, options, warrants and swaps, for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.

What are the Risks of Investing in this Fund?

This Fund is subject to the following risks, each of which is described in detail beginning on page 2:

- market risk
- income trust risk
- interest rate risk
- credit risk
- concentration risk
- derivative risk
- securities lending risk
- large redemption risk

Who Should Invest in this Fund?

This Fund is suitable for investors who want a fund that minimizes portfolio turnover to allow capital to appreciate on a tax-effective basis and want to reduce overall risk exposure by investing primarily in larger and medium-sized Canadian companies. This Fund is appropriate for investors with a medium to long-term investment horizon, who are willing to accept a medium level of investment risk.

Distribution Policy

This Fund may distribute net income and net realized capital gains to unitholders from time to time at the discretion of the Manager. Currently, net income is distributed quarterly and net realized capital gains are distributed in December of each year.

Fund Expenses Indirectly Borne by Investors

This table shows the amount of fees and expenses of each class of the Fund which apply to each \$1,000 investment you make, based on the assumptions described on page 24.

Fees and expenses payable over:

		1 Year	3 Years	5 Years	10 Years
Class O	\$	2.05	6.47	11.36	25.95

The Sceptre Mutual Funds

Sceptre Income & Growth Fund
Sceptre Bond Fund
Sceptre High Income Fund
Sceptre Canadian Equity Fund
Sceptre Equity Growth Fund
Sceptre U.S. Equity Fund
Sceptre Global Equity Fund
Sceptre Money Market Fund
Sceptre Large Cap Canadian Equity Fund

Additional information about the Funds is available in the Funds' Annual Information Form, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents at your request and at no cost by calling toll-free **1-800-265-1888**, by e-mail at **mail@sceptre.ca** or from your dealer.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Sceptre Investment Counsel Limited Internet site at **www.sceptre.ca** or at the Internet site of SEDAR at **www.sedar.com**.

MANAGER OF THE SCEPTRE MUTUAL FUNDS

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