



## **MAPLE LEAF CORPORATE FUNDS LTD.**

Management Report of Fund Performance  
As at November 30, 2014

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This Management Report of Fund Performance has been approved by the Manager and the Board of Directors, was prepared as of March 2, 2015, and contains financial highlights but does not contain the complete annual financial statements for Maple Leaf Corporate Funds Ltd. (the “Funds”). You can get a copy of the interim or annual financial statements or this Management Report of Fund Performance at your request, and at no cost, by calling 1.866.688.5750, by writing to the fund manager, CADO Investment Fund Management Inc. (the “Manager”), at 808 - 609 Granville Street, Vancouver, BC V7Y 1G5 or by visiting our website at [www.MapleLeafFunds.ca](http://www.MapleLeafFunds.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, quarterly portfolio disclosure or Independent Review Committee Report to Shareholders.

#### **Forward-Looking Information**

This Management Report of Fund Performance contains forward-looking information and statements relating to, but not limited to, anticipated or prospective financial performance and results of operations of the Fund. Any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking information. Without limiting the foregoing, the words “believes”, “anticipates”, “plans”, “intends”, “will”, “should”, “expects”, “projects”, and similar expressions are intended to identify forward-looking information.

The Manager believes the forecasts or projections herein are reasonable, however readers are cautioned not to place undue reliance on such forward-looking information and readers should review the prospectus filed with Canadian securities regulatory authorities. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons including, but not limited to, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest and the risks detailed in the Prospectus of the Fund. We caution that the foregoing list of factors is not exhaustive.

The forward-looking information is given as of the date of this management report of fund performance, and the Manager undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

## **Management Discussion of Fund Performance**

### **Investment Objectives**

The investment objective of the Maple Leaf Resource Class (“the Resource Class”) is to maximize capital appreciation by investing primarily in equity securities of natural resource companies and companies that support resource companies.

The investment objective of the Maple Leaf Income Class (“the Income Class”) is to achieve a high level of dividend income for the Income Class as is consistent with prudent levels of capital preservation and liquidity. The Income Class primarily invests in equity and equity-related securities that pay a dividend or distribution.

### **Risk**

There are risks associated with an investment in shares of the Funds. The most recent Prospectus of the Funds contains a discussion of these risks and is available at our website at [www.MapleLeafFunds.ca](http://www.MapleLeafFunds.ca) or on SEDAR at [www.sedar.com](http://www.sedar.com).

There have been no major or significant changes during the year ended November 30, 2014 that have had an impact on the overall risk level and investments of the Fund.

### **Results of Operations**

Resource Class operating expenses decreased by approximately \$100,000 from the prior year. The decrease was mainly due to; \$46,000 reduction in recordkeeping fees, \$45,000 reduction in administration fees, \$13,000 reduction in management fees and a \$9,000 reduction in legal fees. While Management fees are calculated and paid to the Manager based on average net asset value and will vary, the Manager expects the other reductions will be ongoing and should be realized in future years.

Income Class operating expenses are comparable year over year.

### **Resource Class - Portfolio Update**

During the second half of the year, the overall allocation to cash liquidity was materially increased and allocations to equities decreased correspondingly, especially the allocation to the energy sector.

Consistent with the Resource Class objectives of achieving good return while focusing on reducing risk and preserving capital, and in response to the significant declines in oil and natural gas prices, the Resource Class increased its cash weighting primarily by reducing its investment in the energy sector. The relative portion invested in the material sector increased slightly from the prior year. This change served to cushion the downward pressure in energy stocks in the 2nd half of 2014.

For most resource sectors in Canada, 2014 presented itself as another difficult year. Although the economy in the United States continued to pick up steam, economic recovery in the rest of the world was slow. Europe continued to remain somewhat stuck in neutral, while China, under its new leadership, appeared focused on structural reforms, which does not stimulate short-term growth. At the same time, money flowed out of emerging markets and commodities and found its way into the perceived safety of the United States market.

Subsequent to starting the year on a high note, energy stocks fell sharply as oil prices dropped significantly under the weight of near term over-supply and the lack of balancing action taken by the Organization for Petroleum Exporting Countries (OPEC). Investor selling pressure ended up spilling over to the base metals in late 2014, even though there

wasn't a general over-supply for most base metals. Gold appeared to have stabilized in the trading range of \$1,100 and \$1,400 an ounce later in the year while gold stocks started to make a move.

All in all, there are a number of indicators that point to a rebound. The determination of the major central banks to use all fiscal and monetary tools at their disposal to maintain positive economic growth remains intact. Any withdrawal of the extraordinary stimulus will only be gradual. The reform in China will position the country for renewed and continued sustainable growth for the long run. And in Japan after decades of inaction, aggressive fiscal, monetary and structural policies are being implemented, which in turn are influencing the stock market to higher ground.

With headwinds from political stalemates abating, we believe resource stocks will stage a strong rebound. Given the rapid pace at which commodity prices declined beyond long-term supply-demand fundamentals, we anticipate the rebound in prices should also be quick in turning around. Although \$100 a barrel for oil may have to wait a few years, a recovery is fully anticipated.

The strong performance of the Canadian market in the first part of 2014 was undermined by plunging oil prices later in the year. With the 60% decline in oil prices, energy stocks were hit, and other sectors of the market started to feel some impact from lower capital spending and layoffs. Stronger economies will see stronger demand for commodities as well as many good bottom picking opportunities, especially those with good supply fundamentals such as in nickel, zinc, etc. In the medium and long term, oil prices will need to return to the \$70 – 90 range in order to incentivize producers to bring new projects into line in the face of continuing demand growth. The Manager continued to adjust the portfolio to improve liquidity and quality while maintaining exposure to favored commodities.

### **Income Class - Portfolio Update**

The strong performance of the Canadian market in the first part of 2014 was undermined by plunging oil prices later in the year. With the 60% decline in oil prices, energy stocks were hit, and other sectors of the market started to feel some impact from lower capital spending and layoffs. While central banks continue to keep interest rates low and dividend paying stocks performed well in general, Canadian bank stocks suffered a correction as investors tried to determine their exposure to low oil prices. In a rising interest rate environment, companies that can grow their dividends and generate reasonable yields will continue to do well.

### **Related Party Transactions**

The Manager is entitled to an annual management fee, before taxes, of 2.25%, and 2.00% of the net asset value of the Resource Class and the Income Class, respectively. The fee is calculated and payable monthly in arrears. For the year ended November 30, 2014, the management fee totalled \$193,964 (2013 - \$206,109) for the Resource Class and \$34,008 (2013 - \$31,819) for the Income Class.

CADO Bancorp Ltd. ("CADO"), a related company by virtue of common directors, has charged the Funds for certain administrative functions on behalf of the Manager which include accounting, investor reporting, office, personnel and systems. For the current year the Partnership has charged a total of \$120,000 (2013 \$135,000) in total, with \$99,000 allocated to the Resource Class and \$21,000 allocated to the Income Class. The total charged by CADO in 2013 was \$135,000.

The Manager has charged the Income Class \$0 (2013 - \$30,000) for administrative services performed during the year. The Manager has provided fee rebates and absorbed expenses totalling \$0 (2013 - \$171,000) for the Resource Class and \$0 (2013 - \$65,000) for the Income Class.

## Financial Highlights

The following tables summarize selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year. The information is derived from the Fund's annual financial statements.

<b>Maple Leaf Resource Class</b>	<b>2014</b> \$	<b>2013</b> \$	<b>2012</b> \$	<b>2011</b> \$
Net assets, Beginning of year <sup>(2)</sup>	5.99	7.97	10.66	10.00
<b>Increase (decrease) from operations</b>				
Total revenue	0.06	0.04	0.03	-
Total expenses	(0.43)	(0.35)	(0.51)	(0.09)
Realized gains (losses) for the period	0.41	(2.15)	(0.52)	0.38
Unrealized gains (losses) for the period	(0.55)	0.51	(1.61)	0.37
Portfolio transaction costs	(0.06)	(0.05)	(0.08)	-
Foreign exchange gain	0.01	0.02	-	-
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>(0.56)</b>	<b>(1.98)</b>	<b>(2.69)</b>	<b>0.66</b>
<b>Distributions:</b>				
From dividends	0.16	-	-	-
From capital gains	3.22	3.60	0.47	-
Total annual distributions <sup>(2)</sup>	3.38	3.60	0.47	-
<b>Net assets at November 30 of year shown</b>	<b>5.32</b>	<b>5.99</b>	<b>7.97</b>	<b>10.66</b>

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

<sup>(2)</sup> The net assets per share is based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. The distributions were invested in additional shares of the Fund.

<sup>(3)</sup> These calculations are prescribed by securities regulators and are not intended to be a reconciliation between the opening and closing net assets per share.

<b>Maple Leaf Income Class</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets, Beginning of year <sup>(2)</sup>	11.32	9.92	9.47	10.00
<b>Increase (decrease) from operations</b>				
Total revenue	0.52	0.45	0.51	0.02
Total expenses	(0.74)	(0.41)	(0.29)	(0.68)
Portfolio transaction costs	(0.00)			
Realized gains (losses) for the period	0.75	0.43	0.30	-
Unrealized gains (losses) for the period	0.49	0.93	(0.07)	0.13
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>1.01</b>	<b>1.40</b>	<b>0.45</b>	<b>(0.53)</b>
<b>Distributions:</b>				
From dividends	1.01		-	-
From capital gains	-	0.21	0.45	-
<b>Total distributions</b>	<b>1.01</b>	<b>0.21</b>	<b>0.45</b>	<b>-</b>
<b>Net assets at November 30 of year shown</b>	<b>12.32</b>	<b>11.32</b>	<b>9.92</b>	<b>9.47</b>

(1) This information is derived from the Fund's audited annual financial statements. The net assets per share presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) The net assets per share is based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. The distributions were invested in additional shares of the Fund.

(3) These calculations are prescribed by securities regulators and are not intended to be a reconciliation between the opening and closing net assets per share.

## Ratios and Supplemental Data

Resource Class	2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 5,734	\$ 6,949	\$ 11,884	\$ 8,921
Number of shares outstanding <sup>(1)</sup>	1,072,459	1,152,952	1,473,312	850,353
Management expense ratio <sup>(2)</sup>	6.42%	5.28%	5.85%	7.33%
Management expense ratio before waivers or absorptions	6.42%	7.15%	6.04%	7.33%
Portfolio turnover rate <sup>(3)</sup>	232.80%	197.40%	84.46%	23.19%
Trading expense ratio <sup>(4)</sup>	0.98%	0.71%	0.93%	1.09%
Net asset value per share	\$ 5.35	\$ 6.01	\$ 8.06	\$ 10.49

Income Class	2014	2013	2012	2011
Total net asset value (000's) <sup>(1)</sup>	\$ 1,994	\$ 1,550	\$ 1,300	\$ 226
Number of shares outstanding <sup>(1)</sup>	161,588	136,714	130,546	23,698
Management expense ratio <sup>(2)</sup>	6.40%	3.95%	2.94%	119.87%
Management expense ratio before waivers or absorptions	0.00%	8.03%	9.07%	119.87%
Portfolio turnover rate <sup>(3)</sup>	71.85%	84.27%	76.49%	0.00%
Trading expense ratio <sup>(4)</sup>	0.04%	0.07%	0.13%	0.29%
Net asset value per share	\$ 12.34	\$ 11.34	\$ 9.96	\$ 9.56

(1) This information is provided as at November 30 of the year shown.

(2) The Management expense ratio ("MER") is based on the total expenses (excluding commissions and portfolio transaction costs) of the Fund for the stated period expressed as an annualized percentage of average net assets during the period.

(3) A Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net asset value during the period.

## Management Fees

The Manager is entitled to an annual fee in the aggregate amount of 2.25% and 2.00% of the Net Asset Value of the Resource Class and the Income Class, respectively. The fee is calculated and paid monthly in arrears. The Manager will also be entitled to a performance bonus (the "Performance Bonus"), equal to 20% of the amount by which each Fund outperforms its benchmark (the "Benchmark"). The Benchmark for the Resource Class is a blended rate comprised of 50% of the S&P/TSX Energy Total Return and 50% of the S&P/TSX Materials Total Return. The Benchmark for the Income Class is the Dow Jones Canada Select Dividend Total Return Index. As at November 30, 2014, this threshold has not been achieved; accordingly no performance bonus has been accrued.



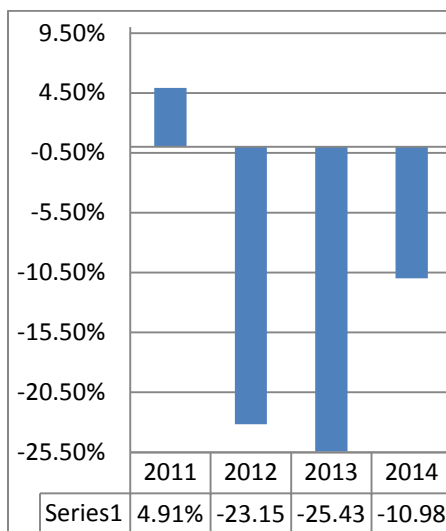
### Past Performance

The chart below shows the Fund's annual performance for each of the periods shown, and illustrates how the Fund's performance has changed from period to period, since inception. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial period.

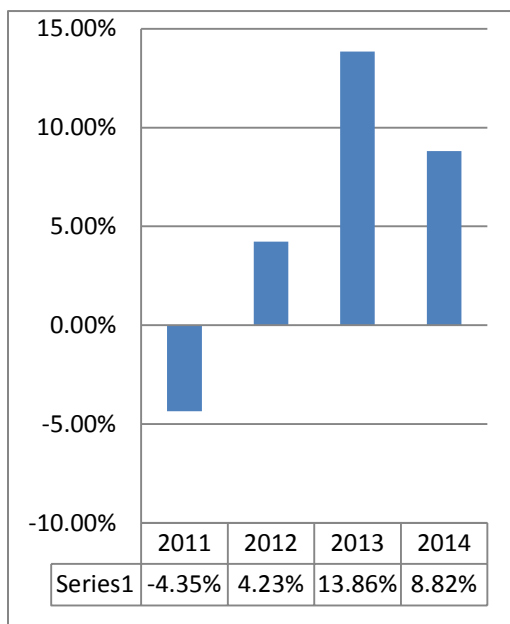
Please note that the Fund's past performance does not necessarily indicate how it will perform in the future.

### Year-by-Year Returns

Resource Class



Income Class





### Summary of Investment Portfolio

The following summaries of the Fund's investment portfolios break down the portfolio into subgroups, showing the percentage of net asset value of each Class constituted by each subgroup. The tables list the top 25 securities held in the Resource Class portfolio and all of the securities held in the Income Class portfolio and the percent of net asset value, as at November 30, 2014.

<b>Resource Class</b>	<b>% of Net Asset Value</b>
<b>Cash</b>	23.81
<b>Equity investments</b>	
Energy	44.32
Materials	27.80
Industrials	4.57
Foreign	1.96
Information Technology	0.73
<b>Total investment portfolio, including cash</b>	103.19
<b>Liabilities, net of other assets</b>	(3.19)
<b>Total Net Asset Value</b>	100.00

<b>Resource Class Investments</b>	<b>Top 25</b>	<b>% of Net Asset Value</b>
Cash		23.76
Western Forest Products Inc		5.05
International Forest Products Ltd		3.20
West Fraser Timber Co Ltd		3.20
Canfor Corp		3.16
Almonty Industries Inc		2.73
Canadian Natural Resources Ltd		2.71
Suncor Energy Inc		2.70
Boralex Inc		2.54
Bankers Petroleum Ltd		2.49
Tourmaline Oil Corp		2.16
PrairieSky Royalty Ltd		2.16
Uranium Participation Corp		2.12
Whitecap Resources Inc		2.11

ShawCor Ltd	2.05
Questor Technology Inc	1.91
Kelt Exploration Ltd	1.88
Raging River Exploration Inc	1.80
North American Energy Partners	1.74
Paramount Resources Ltd	1.56
Sherritt International Corp	1.44
STORNOWAY DIAMOND CORP	1.40
Parex Resources Inc	1.33
Global X Uranium ETF	1.28
Trevali Mining Corp	1.26

Note:

*This summary of Investment Portfolio may change due to buy and sell transactions enacted by the portfolio manager. A quarterly update detailing future changes will be available on our website at [www.MapleLeafFunds.ca](http://www.MapleLeafFunds.ca) or you can request a quarterly update by calling Maple Leaf Flow-Through at 1.866.688.5750.*

<b>Income Class</b>	<b>% of Net Asset Value</b>
<b>Cash</b>	4.02
<b>Equity investments</b>	
Financials	42.53
Energy	14.70
Industrials	11.93
Telecommunications	9.59
Utilities	8.10
Consumer services	7.83
<b>Total investment portfolio, including cash Assets, net of other liabilities</b>	98.70
	1.30
<b>Total Net Asset Value</b>	100.00

<b>Income Class</b>	<b>Investments</b>	<b>% of Net Asset Value</b>
Granite Real Estate Inc		7.55
Power Corp Of Canada		7.48
Algonquin Power & Utilities Corp		5.44
Whistler Blackcomb Holdings Inc		5.20
Fortis Inc/Canada		

	5.09
National Bank of Canada	5.06
Bank of Montreal	5.05
Boralex Inc	5.04
Toronto-Dominion Bank	4.91
Sun Life Financial Inc	4.89
BCE Inc	4.82
Canadian Imperial Bank of Commerce/Canada	4.81
Manitoba Telecom Services Inc	4.77
WSP Global Inc	4.74
CAD CASH	4.02
AltaGas Ltd	3.83
Bonterra Energy Corp	3.47
Tricon Capital Group Inc	2.78
Brookfield Renewable Energy Partners LP/CA	2.67
Cineplex Inc	2.63
Parkland Fuel Corp	2.36
Russel Metals Inc	2.10

**Note:**

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## **Annual Compound Returns**

The following tables illustrate the annual compound total return for each the Resource Class and Income Class shares of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Funds are compared to a benchmark. The benchmark for the Maple Leaf Resource Class is a blended rate comprised of 50% of the S&P/TSX Energy Total Return and 50% of the S&P/TSX Materials Total Return. The Benchmark for the Maple Leaf Income Class is the Dow Jones Canada Select Dividend Total Return Index.

The Benchmarks were selected because we believe that they best reflect the markets in which each of the Funds invests. Accordingly, we believe that each Benchmark provides for the fairest measurement standard possible for each Fund.

	<b>1 Year</b>	<b>3 Years</b>	<b>Since inception <sup>(1)</sup></b>
Maple Leaf Resource Class	-10.98%	-20.10%	-18.82%
Blended benchmark index <sup>(2)</sup>	-9.19%	-12.76%	-10.96%

1) Fund inception was on October 21, 2011

2) The Benchmark for the Resource Class is a blended rate comprised of 50% of the S&P/TSX Energy Total Return and 50% of the S&P/TSX Materials Total Return

	<b>1 Year</b>	<b>3 Years</b>	<b>Since inception October 21, 2011</b>
Maple Leaf Income Class	8.82%	8.88%	7.26%
Benchmark index	11.08%	13.87%	14.01%

1) Since launch date on November 9, 2011.

2) The Benchmark for the Income Class is the Dow Jones Canada Select Dividend Total Return Index.

## Recent Developments

### Future Accounting Standards

#### Transition to International Financial Reporting Standards (IFRS)

In December 2011, the Canadian Institute of Chartered Accountants (CICA) Accounting Standards Board modified the IFRS effective date for investment companies that comply with Accounting Guideline on Investment Companies (“AcG-18”). Thus, IFRS will have to be adopted for interim and annual Financial statements beginning on or after January 1, 2014. The Funds, which are investment companies, will adopt IFRS commencing December 1, 2014. The first IFRS financial statements will be as at May 31, 2015.

In order to prepare for the transition to IFRS, the Funds have performed an assessment of the impact of significant accounting differences between IFRS and GAAP. Currently, the Funds do not expect any significant impact to net assets per unit from the changeover to IFRS. This current assessment may change if new standards are issued or if interpretations of existing standards are revised.

The impact of IFRS on accounting policies and implementation decisions will mainly be in the additional disclosures in the notes to financial statements, the expected elimination of the difference between the net assets per unit and the net asset value per unit at the financial statement reporting dates, the expected change in the presentation of net assets including the classification of the shares, and other modified presentation and/or additional schedules which

will be required. Further updates on implementation progress and any changes to reporting impacts from the adoption of IFRS will be provided during the 2015 implementation period.

Upon transition to IFRS the Funds will value their investments in accordance with IFRS 13 where fair value corresponds to the price between the bid/ask range which reflect the best fair value when the asset or the liability has a bid price and an ask price. At the IFRS transition, the fair value measurement method for the investments and derivatives is the same as the method for net asset value valuation for trading purposes (last price). The quantitative impact of the transition to IFRS is reflected in Note 7 which reconciles NI 81-106 to CPA Handbook Section 3855.



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