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Preliminary Simplified Prospectus

Offering ETF units of:

Capital Group Global Equity Select ETF™ (Canada)

Capital Group International Equity Select ETF™ (Canada)

Capital Group World Bond Select ETF™ (Canada)

Capital Group Multi-Sector Income Select ETF™ (Canada)

July 15, 2024

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

The Funds are intended only for persons eligible to purchase investment funds that are prospectus-qualified in Canada. The information contained in this simplified prospectus is not intended as an offer to distribute, market or to sell units of the Funds outside Canada.

The Funds and the securities offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and are not intended for distribution, or to be marketed or sold, in the United States.

Table of contents

Page

Contents

Introduction.....	1
Responsibility for the Capital Group Funds' administration.....	3
Manager.....	3
Portfolio advisor.....	4
Brokerage arrangements.....	8
Trustee.....	10
Custodian.....	10
Auditor.....	11
Registrar and transfer agent.....	11
Securities lending agent.....	11
Fund accountant.....	11
Designated Broker.....	11
Independent Review Committee and fund governance.....	12
Affiliated entities.....	13
Policies and practices.....	13
Derivatives.....	13
Securities lending, repurchase and reverse repurchase transactions.....	14
Proxy voting.....	15
Remuneration of directors, officers and trustee.....	18
Material contracts.....	19
Legal and administrative proceedings.....	19
Designated website.....	19
Valuation of portfolio securities.....	19
Calculation of net asset value.....	21
Purchases, redemptions and exchanges.....	22
Initial Investment in the Funds.....	22
How to buy units in the Funds.....	22
Redemptions and Exchanges.....	24
Short-term trading.....	28
Fees and expenses.....	28
Fees and expenses payable by the Funds.....	29
Fees and expenses payable directly by you.....	32
Management fee distribution.....	32
Income tax considerations.....	32
What are your legal rights?.....	42

Exemptions and approvals	42
Certificate of the Funds, Manager and Promoter	46
Specific information about each of the mutual funds described in this document.....	47
What is a mutual fund and what are the risks of investing in a mutual fund?	47
What is a mutual fund?	47
What are the general risks of investing in a mutual fund?	47
What are the specific risks of investing in a mutual fund?	48
Investment restrictions	76
Description of the securities offered by the Funds	76
Fund details	80
Capital Group International Equity Select ETF™ (Canada)	85
Capital Group Global Equity Select ETF™ (Canada)	88
Capital Group World Bond Select ETF™ (Canada).....	91
Capital Group Multi-Sector Income Select ETF™ (Canada)	95

Introduction

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. Throughout this document:

- *Basket of Securities* means, in relation to Units of a particular Fund, a group of securities and/or assets determined by the Manager from time to time representing the constituents of the portfolio attributable to that class or series, as applicable, of the Fund;
- *CDS* means CDS Clearing and Depository Services Inc.;
- *CDS Participant* means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units;
- *Dealer* means a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of a Fund, and that subscribes for and purchases Units from that Fund;
- *Designated Broker* means a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of a Fund, pursuant to which the Designated Broker agrees to perform certain duties in respect of the Units in relation to that Fund;
- *Designated Exchange* means the Toronto Stock Exchange;
- *Distribution Record Date* means, in relation to a particular Fund, a date determined by the Manager as a record date for the determination of the Unitholders of the Fund entitled to receive a distribution;
- *Fund/Funds* refers to one or more of the exchange-traded mutual funds listed on the front cover of this simplified prospectus;
- *holder of Units* means, unless the context otherwise requires, the owner of the beneficial interest of such Units;
- *Global Equity* refers to “Capital Group Global Equity Select ETF™ (Canada)”;
- *International Equity* refers to “Capital Group International Equity Select ETF™ (Canada)”;
- *Multi-Sector Income* refers to “Capital Group Multi-Sector Income Select ETF™ (Canada)”;
- *PNU or Prescribed Number of Units* means, in relation to a particular Fund, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes;

- *Tax Act* refers to the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;
- *Tax Amendment* means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof;
- *Trading Day* means a day on which a session of the Designated Exchange is held;
- *Units* means the ETF units of the Funds;
- *Valuation Time* means, in relation to a Fund, 4:00 p.m. (Eastern time) or such other time that the Manager deems appropriate;
- *we/us/our/Manager* refers to Capital International Asset Management (Canada), Inc. or its successors, part of The Capital Group Companies, Inc.;
- *World Bond* refers to “Capital Group World Bond Select ETF™ (Canada)”;
- *you/your* refers to the reader as a potential investor in the Funds; and
- unless otherwise noted, all dollar figures are in Canadian dollars.

This simplified prospectus includes two parts. The first part, on pages 1 to 46, provides basic information about mutual funds and information that applies to all of the Funds. The second part, on pages 47 to 99, contains specific details about each Fund.

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

- the most recently filed ETF Facts;
- the most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance; 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, by calling the Manager at 1-888-421-5111, or from your dealer or by email at CiamComments@capgroup.com.

These documents and other information about the Funds are available on the Funds’ designated website at capitalgroup.com/ca/en/investments and at sedarplus.ca.

Additional Considerations

No designated broker or dealer has been involved in the preparation of this Simplified Prospectus or has performed any review of the contents of this Simplified Prospectus and as such, the designated broker and dealers do not perform many of the usual underwriting activities in connection with the distribution by the Funds of their Units under this Simplified Prospectus.

Responsibility for the Capital Group Funds' administration

Manager

Capital International Asset Management (Canada), Inc., is a corporation incorporated under the laws of the Province of Ontario with its head office located at Suite 3100, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3,

Tel: 1-888-421-5111, website: capitalgroup.com/ca.

The Manager is responsible for all management and administration services required for the day-to-day business of the Funds, the appointment or termination of the portfolio advisors and investment subadvisors and arranging for the distribution of securities of the Funds. The Manager furnishes the office space and facilities, clerical help, bookkeeping and internal accounting services required by the Funds. Distribution crediting services and all unitholder servicing requirements are also furnished by or on behalf of the Manager.

The names and municipalities of residence of the directors and executive officers of the Manager, their current positions and offices held with the Manager as of the date of this Simplified Prospectus are as follows:

Name and municipality of residence	Position with The Manager
Rick Headrick Toronto, Ontario, Canada	President, Ultimate Designated Person and Director
Jeremy H. Burge Aurora, Ontario, Canada	Chairman and Director
Poonam (Pam) Thadani Toronto, Ontario, Canada	Chief Compliance Officer, Vice President and Director
Srikanth Vemuri Oakville, Ontario, Canada	Senior Vice President, National Sales Manager
Adam W. Phillips Los Angeles, California, USA	Chief Financial Officer, Secretary, Vice President, Chief Operating Officer and Director

Brian Ziedenberg
Toronto, Ontario, Canada

Senior Vice President, National Accounts &
Institutional Manager

Each of the Funds has appointed the Manager as its manager pursuant to the master declaration of trust dated June 18, 2024 (the "Declaration of Trust"). Pursuant to the Declaration of Trust, the Manager must (i) be a resident of Canada for purposes of the Tax Act; and (ii) agree to carry out its functions of managing the Funds in Canada. In addition, pursuant to the Declaration of Trust, the Manager may resign as manager of the Funds by giving the Trustee at least 90 days' prior written notice, or any shorter notice period acceptable to the Trustee, or may be removed by the Trustee providing at least 90 days' written notice to the Manager.

Who is the Manager?

History and background

The Manager is part of The Capital Group Companies, Inc., a global investment management organization originating in Los Angeles in 1931 (together, the "Capital Group organization"). As of [June 30], 2024, the Capital Group organization managed more than US \$● trillion in assets for institutional and individual investors around the world. The Manager has appointed its affiliate, Capital Research and Management Company ("CRMC"), to serve as derivatives portfolio advisor and investment subadvisor to the Funds.

The Capital Group organization manages equities through three investment groups that make investment and proxy voting decisions independently. Fixed-income investment professionals provide fixed-income research and investment management across the Capital Group organization; however, investment professionals that make investment and proxy voting decisions in respect of securities with equity characteristics act solely on behalf of one of the three equity investment groups.

Fund of fund investments

If a Fund invests in securities of another mutual fund managed by the Manager or an affiliate or associate of the Manager, the securities of that other mutual fund held by the Fund will not be voted by the Fund.

Portfolio advisor

Pursuant to the Declaration of Trust, the Trustee has engaged the Manager to act as the portfolio advisor to each of the Funds' portfolio other than any investments in derivative instruments, such as forward contracts, futures contracts, put and call options on futures contracts, put/call options on currencies, interest rate swaps and credit default swaps indices (the "Derivatives Portfolio"). Pursuant to an amended and restated investment advisory agreement dated as of June 18, 2024 (the "Investment Advisory Agreement"), CRMC has been appointed to act as portfolio advisor solely in respect of the Derivatives Portfolio of each of the Funds (the "derivatives portfolio advisor"). CRMC has also been appointed to act as investment subadvisor for each of the Funds

(other than in respect of the Derivatives Portfolio) pursuant to an amended and restated sub-advisory agreement dated as of ●, 2024 (the "Sub-Advisory Agreement"). The head office of CRMC is located at 333 South Hope Street, Los Angeles, California, USA, 90071. The Sub-Advisory Agreement may be terminated by any party upon 30 days' prior written notice.

CRMC manages equities through three investment groups that make investment and proxy voting decisions independently. Fixed-income investment professionals provide fixed-income research and investment management across the Capital Group organization; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.

The basic investment philosophy of the investment subadvisor is to seek undervalued securities that it believes represent good long-term investment opportunities. The investment subadvisor utilizes a "bottom-up," research-driven approach to investing that focuses primarily on individual companies, not industries or regions. Under The Capital System™, multiple portfolio managers have individual responsibility for a portion of each Fund's assets. Securities may be sold when the portfolio managers believe that they no longer represent good long-term value.

Under CRMC's multiple portfolio manager system, the portfolio of a fund is generally divided into segments which are managed by individual managers. In addition, CRMC's investment analysts may make investment decisions with respect to a portion of a fund's portfolios. Investment decisions with respect to a Fund's portfolio are subject to the Fund's investment objective, investment strategies and the oversight of the appropriate investment-related committees of CRMC and its investment divisions.

The Funds' investment subadvisor manages the Funds and other funds and accounts with similar names and investment objectives using the same investment strategy. A Fund's portfolio allocated to equity is based on the portfolio of one of those similar funds or accounts (the "reference account") that is representative of the investment strategy. Investment decisions for a Fund are made independently to optimize its portfolio for the number, type and weighting of portfolio holdings that the investment subadvisor believes is best suited for such Funds while seeking to achieve its investment objective. As it relates to equity allocation, the Fund will hold fewer securities than the reference account, and securities held in common by a Fund and the reference account will normally be held in different weightings. The investment subadvisor employs a suite of technology, including quantitative modeling and risk tools, as part of this investment process. The process is overseen by a team that seeks to ensure that the optimization reflects the overall investment intent of the strategy implemented by the portfolio managers. As such, investment decisions for the reference account will normally be fully implemented before they are considered as part of a Fund's investment process. The equity Fund's investment process regularly considers changes in the reference account's portfolio and the equity Fund's portfolio due to, among other things, investment convictions, market movements and corporate actions.

When implementing investment decisions for each Fund and other funds and accounts that invest in the same fixed income securities, the investment subadvisor considers various factors, including, but not limited to, the security and sector characteristics, exposure levels, market and

liquidity conditions, as well as economic, political or regulatory factors. While investment decisions for the purchase or sale of the same fixed income security for funds and accounts are generally implemented together, such investment considerations will at times result in the same fixed income security being bought or sold for a Fund after it has been bought or sold for other funds and accounts.

The investment subadvisor may consider environmental, social and governance (“ESG”) factors that, depending on the facts and circumstances, are material to the value of an issuer or instrument. ESG factors, which are evaluated in part by using third-party data, may include, but are not limited to, environmental issues (e.g., water use, emission levels, waste, environmental remediation), social issues (e.g., human capital, health, and safety, changing customer behaviour) or governance issues (e.g., board composition, executive compensation, shareholder dilution). Such considerations are not necessarily determinative to an investment decision.

The investment subadvisor considers a variety of factors in determining whether an investment is made in a particular country or geographic region including, without limitation:

- the domicile or location of the issuer in the case of equity securities;
- the determination by a leading provider of global indexes, such as MSCI Inc. for equity securities and Bloomberg or J.P. Morgan for debt securities;
- where the issuer’s securities are listed;
- where the issuer is legally organized, maintains principal corporate offices, conducts its principal operations, generates revenues and/or has credit risk exposure;
- for issuers of debt securities, the countries to which such securities are tied economically. In determining whether a security is tied economically to a particular country, the investment subadvisor will consider the “country of risk” determination of a leading provider of global indexes, such as Bloomberg or J.P. Morgan; and
- the source of guarantees (if any) of a particular security

The following are the names and titles of the persons who are principally responsible for the management of each Fund’s investment strategy, their role in the investment decision-making process and whether their decisions are subject to oversight, approval or ratification by a committee. Each portfolio manager’s investment decisions are subject to the Fund’s investment objectives, strategies and the oversight of the appropriate investment-related committees of CRMC and its investment divisions.

Capital Group Global Equity Select ETF™ (Canada)

Portfolio Manager	Role in Investment Process
Carl M. Kawaja Director and Chairman of CRMC	As an equity portfolio manager, Carl M. Kawaja implements the investment strategy of the Fund.
Leo Hee	As an equity portfolio manager, Leo Hee implements the investment strategy of the Fund.

Portfolio Manager	Role in Investment Process
Dawid Justus	As an equity portfolio manager, Dawid Justus implements the investment strategy of the Fund.
Jeremy Burge Director and Chairman of the Manager	As an equity portfolio manager, Jeremy Burge implements the investment strategy of the Fund.
Emme P. Kozloff	As an equity portfolio manager, Emme P. Kozloff implements the investment strategy of the Fund.

Capital Group International Equity Select ETF™ (Canada)

Portfolio Manager	Role in Investment Process
Gerald Du Manoir	As an equity portfolio manager, Gerald Du Manoir implements the investment strategy of the Fund.
Philip Winston	As an equity portfolio manager, Philip Winston implements the investment strategy of the Fund.
Eu-Gene Cheah	As an equity portfolio manager, Eu-Gene Cheah implements the investment strategy of the Fund.
Akira Horiguchi	As an equity portfolio manager, Akira Horiguchi implements the investment strategy of the Fund.

Capital Group World Bond Select ETF™ (Canada)

Portfolio Manager	Role in Investment Process
Thomas Reithinger	As a fixed-income portfolio manager, Thomas Reithinger implements the investment strategy of the Fund.
Andrew A. Cormack	As a fixed-income portfolio manager, Andrew A. Cormack implements the investment strategy of the Fund.
Philip Chitty	As a fixed-income portfolio manager, Philip Chitty implements the investment strategy of the Fund.

Capital Group Multi-Sector Income Select ETF™ (Canada)

Portfolio Manager	Role in Investment Process
Damien J. McCann	As a fixed-income portfolio manager, Damien J. McCann implements the investment strategy of the Fund.
Kirstie Spence	As a fixed-income portfolio manager, Kirstie Spence implements the investment strategy of the Fund.
Scott Sykes	As a fixed-income portfolio manager, Scott Sykes implements the investment strategy of the Fund.
Shannon Ward	As a fixed-income portfolio manager, Shannon Ward implements the investment strategy of the Fund.

Portfolio Manager	Role in Investment Process
Xavier V. Goss	As a fixed income portfolio manager, Xavier V. Goss implements the investment strategy of the Fund.

Brokerage arrangements

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions are made by the Funds' investment subadvisor, CRMC, subject to the oversight of the Manager. In selecting broker-dealers, CRMC strives to obtain "best execution" (the most favourable total price reasonably attainable under the circumstances) for a Fund's portfolio transactions, taking into account a variety of factors. These factors include the size and type of transaction; the nature and character of the markets for the security to be purchased or sold; the cost, quality, likely speed and reliability of execution and settlement; the broker-dealer's or execution venue's ability to offer liquidity and anonymity; and the trade-off between market impact and opportunity costs. CRMC considers these factors, which involve qualitative judgments, when selecting broker-dealers and execution venues for a Fund's portfolio transactions. CRMC views best execution as a process that should be evaluated over time as part of an overall relationship with particular broker-dealer firms. CRMC negotiates commission rates with brokers based on what it believes is reasonably necessary to obtain best execution. CRMC seeks, on an ongoing basis, to determine what the reasonable levels of commission rates for execution services are in the marketplace, taking various considerations into account, including the extent to which a broker-dealer has put its own capital at risk, historical commission rates and commission rates that other institutional investors are paying. CRMC is not obligated to obtain the lowest available commission rate available for a portfolio transaction to the exclusion of price, service and qualitative considerations. Brokerage commissions are only a small part of total execution costs and other factors, such as market impact and speed of execution, contribute significantly to overall transaction costs. CRMC may execute portfolio transactions with broker dealers who provide certain brokerage and/or investment research services to it, but only when in its judgment the broker-dealer is capable of providing best execution for that transaction. CRMC makes decisions for procurement of research separately and distinctly from decisions on the choice of brokerage and execution services. The receipt of these services permits CRMC to supplement its own research and analysis and makes available the views of, and information from, individuals and the research staffs of such firms. Such views and information may be provided in the form of written reports, telephone contacts and meetings with securities analysts. Services may include reports and other communications with respect to individual companies, industries, countries and regions, economic, political and legal developments, as well as scheduling meetings with corporate executives and seminars and conferences related to relevant subject matters. Research services that CRMC receives from broker-dealers may be used in servicing a Fund, other funds and/or accounts that CRMC advises; however, not all such services will necessarily benefit each Fund.

CRMC has undertaken to bear the cost of all third-party investment research services received while servicing a Fund.

CRMC may pay commissions in excess of what other broker-dealers might have charged for certain portfolio transactions in recognition of brokerage and/or investment research services. In this regard, CRMC has adopted a brokerage allocation procedure that permits causing an account to pay a higher commission to a broker-dealer to compensate the broker-dealer or another service provider for certain brokerage and/or investment research services provided to CRMC and its affiliates, based on a good faith determination that such commissions are reasonable in relation to the value of the services provided by such broker-dealer to CRMC and its affiliates in terms of that particular transaction or CRMC's overall responsibility to the Fund and other accounts that it advises. Certain brokerage and/or investment research services may not necessarily benefit all accounts paying commissions to each such broker-dealer; therefore, CRMC assesses the reasonableness of commissions in light of the total brokerage and investment research services provided to CRMC and its affiliates. Further, investment research services may be used by all investment associates of CRMC and its affiliates, regardless of whether they advise accounts with trading activity that generates eligible commissions.

In accordance with internal brokerage allocation procedure, CRMC periodically assesses the brokerage and investment research services provided by each broker-dealer and each other service provider from which it receives such services. As part of its ongoing relationship, CRMC routinely meets with firms to discuss the level and quality of the brokerage and research services provided, as well as the value and cost of such services. In valuing the brokerage and investment research services received from broker-dealers and other research providers in connection with their good faith determination of reasonableness, CRMC takes various factors into consideration, including the quantity, quality and usefulness of the services provided. Based on this information and applying its judgment, CRMC sets an annual research budget.

Research analysts and portfolio managers also periodically participate in a research poll to determine the usefulness and value of the research provided by individual broker-dealers and research providers. Based on the results of this research poll, CRMC may, through commission sharing arrangements with certain broker-dealers, direct a portion of commissions paid to a broker-dealer to be used to compensate the broker-dealer for proprietary research or to be paid to a third-party research provider for research it has provided.

While CRMC may negotiate commission rates and enter into commission sharing arrangements with certain broker-dealers with the expectation that such broker-dealers will be providing brokerage and research services, neither CRMC nor any of the Funds incurs any obligation to any broker-dealer to pay for research by generating trading commissions. CRMC negotiates prices for certain research that may be paid through commission sharing arrangements or by CRMC with cash.

Purchases and sales of futures contracts for a Fund will be effected through executing brokers and a futures commission merchant ("FCM") that specializes in the types of futures contracts that the Fund expects to hold. CRMC will use reasonable efforts to choose executing brokers and FCMs capable of providing the services necessary to obtain the most favourable price and execution available. The full range and quality of services available will be considered in making

these determinations. CRMC will monitor the executing brokers and FCMs used for purchases and sales of futures contracts for their ability to execute trades based on many factors, such as the sizes of the orders, the difficulty of executions, the operational facilities of the firm involved and other factors.

Forward currency contracts are traded directly between currency traders (usually large commercial banks) and their customers. The cost to a Fund of engaging in such contracts varies with factors such as the currency involved, the length of the contract period and the prevailing market conditions. Because such contracts are entered into on a principal basis, their prices usually include undisclosed compensation to the market maker reflecting the spread between the bid and ask prices for the contracts. A Fund may incur additional fees in connection with the purchase or sale of certain forward currency contracts.

Where Fund transactions create client brokerage commissions that have been or might be directed to a broker-dealer in return for the provision of any good or service by the broker-dealer or a third party, other than order execution, the names of such broker-dealers or third parties will be provided upon request by contacting us at 1-888-421-5111 or by email at CiamComments@capgroup.com.

Trustee

Capital International Asset Management (Canada), Inc. of Toronto, Ontario is the trustee of the Funds. As disclosed under the subheading *The Manager* on page 3, Capital International Asset Management (Canada) Inc. is also the manager of the Funds.

Capital International Asset Management (Canada), Inc. has been appointed the trustee of the Funds pursuant to the Declaration of Trust. The Declaration of Trust establishes the fundamental operating structure for the Funds. In its capacity as trustee, the Manager has ultimate responsibility for the business and undertaking of the Funds and must carry out the terms of the Declaration of Trust. Currently, the Manager does not receive compensation in its capacity as trustee. Pursuant to the Declaration of Trust, the trustee of the Funds must (i) be a resident of Canada for the purposes of the Tax Act, (ii) agree to carry out its functions of trustee to Funds in Canada and exercise the main powers and discretions of the trustee of the Funds in Canada. The Declaration of Trust further provides that the Manager may resign as trustee of a Fund by giving 90 days' prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by Unitholders in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

Custodian

The portfolio assets of the Funds are held under the custodianship of State Street Trust Company Canada ("State Street") of Toronto, Ontario pursuant to a custodian agreement (the "Custodian Agreement") dated as of April 10, 2008 between the Manager, as trustee of the Funds, and State

Street, as further amended from time to time, including as of June 14, 2024 to include provisions related to the Funds. Under the Custodian Agreement, State Street is responsible for the safekeeping of the property of the Funds. State Street is independent of the Manager.

Auditor

The auditor of the Funds is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants of Toronto, Ontario.

Registrar and transfer agent

State Street Trust Company Canada of Toronto, Ontario is the Registrar and Transfer Agent for the Units of the Funds pursuant to a registrar and transfer agency agreement dated July 10, 2024. The Registrar and Transfer Agent maintains the register of registered holders of Units. The register for the Units is kept in Toronto, Ontario.

Securities lending agent

As the securities lending strategy has not yet been initiated for the Funds, a securities lending agent has not yet been appointed.

Fund accountant

State Street of Toronto, Ontario, has been appointed by the Manager to provide fund accounting services and net asset value ("NAV") calculations under an accounting services agreement (the "Accounting Services Agreement") dated as of December 1, 2000 between the Manager, as trustee of the Funds, and State Street. The Accounting Services Agreement can be terminated by either the Manager or State Street upon 60 days' prior written notice. State Street is independent of the Manager.

Designated Broker

The Manager, on behalf of each Fund, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to that Fund including, without limitation: (i) to subscribe for a sufficient number of Units of that Fund to satisfy the Designated Exchange's listing requirements; (ii) to subscribe for Units of that Fund on an ongoing basis; and (iii) to post a liquid two-way market for the trading of Units of that Fund on the Designated Exchange. Payment for Units of a Fund must be made by the Designated Broker, and those Units will be issued, by no later than the first Trading Day after the subscription notice has been delivered (or any other period of time as may be specific under applicable securities laws).

Units do not represent an interest or an obligation of such Designated Broker or Dealers or any affiliate thereof and a Unitholder of a Fund will not have any recourse against any such parties in respect of amounts payable by the Fund to such Designated Broker or Dealers.

Independent Review Committee and fund governance

The Funds have an Independent Review Committee (the "IRC") composed of four individuals, each of whom is independent of the Manager and its affiliates. The members of the IRC are James M. Brown (Chair), Lisa Johnson, Tammy Smith and Mark Pratt.

The IRC functions in accordance with the applicable securities laws, including National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107"). In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager may be subject when managing a Fund. The Manager is required under NI 81-107 to identify actual or potential conflicts of interest inherent in its management of the Funds and refer its proposed course of action in managing those conflicts of interest, including its written policies and procedures, to the IRC for its recommendation as to whether such proposed course of action provides a fair and reasonable result for the Funds.

The IRC prepares, at least annually, a report of its activities for unitholders and makes such reports available on the Fund's designated website at capitalgroup.com/ca/en/investments, or at the unitholder's request and at no cost, by contacting the Manager at CiamComments@capgroup.com.

In managing the day-to-day operations of the Funds, the Manager has adopted certain policies as standard practice to comply with National Instrument 81-105 – *Mutual Fund Sales Practices* and Part 15 of National Instrument 81-102 *Investment Funds* ("NI 81-102") with respect to all marketing and sales activities. As well, the Manager has developed and adopted compliance policies that govern all of its employees.

As described herein, the Manager has retained an affiliated derivatives portfolio advisor and investment subadvisor for the Funds. The derivatives portfolio advisor and investment subadvisor have policies and procedures in place relating to risk management, insider trading, conflicts of interest, client confidentiality, acceptable outside activities, private and personal investments and practices on dealing with brokerage firms when allocating trades and commission sharing arrangements.

The Manager has adopted a liquidity risk management policy. The investment subadvisor has implemented this liquidity risk management policy. Liquidity risk is managed by monitoring the degree of liquidity of a Fund's investments, limiting the amount of the Fund's illiquid investments and utilizing various risk management tools and facilities. The liquidity risk monitoring process for all Funds is overseen by the investment subadvisor's liquidity risk management committee which includes members from various business units who are independent of the portfolio management function of the Funds. A Fund will maintain liquidity at levels which are reasonably expected to meet securityholders' redemptions.

Affiliated entities

The only affiliated entities of the Manager that provide services to the Funds and the Manager in relation to the Funds are:

- CRMC, as described under *Portfolio advisor* on page 4 and
- Capital Group International, Inc., a California corporation, which provides certain administrative services.

The amount of fees these affiliated entities receive from the Funds will be contained in the audited financial statements of the Funds. The following diagram depicts the relationships between the parties:



Policies and practices

Derivatives

Certain of the Funds may invest in approved derivative instruments such as forward currency contracts, futures contracts, put/call options on currencies, interest rate swaps and credit default swaps indices as described herein, and also disclosed in each Fund's specific details in the Simplified Prospectus.

All investment policies and procedures pertaining to the use of derivatives are established in a manner consistent with the investment objective for the respective Fund. In addition, derivatives are only used as permitted under applicable Canadian securities regulations and as permitted under the terms of exemptive relief obtained from the Canadian Securities Administrators.

The Manager has adopted written Derivatives Policies and Procedures on behalf of the Funds, which outline the processes that have been implemented to: (i) assess, manage and review the risks associated with using derivatives in the Funds, and (ii) comply with the investment limits and applicable laws. Compliance with such policies and procedures is overseen by a committee ("Oversight Committee") that is composed of divisional officers of the derivatives portfolio advisor with relevant experience regarding the management of derivative risks from various units, including investment strategy, risk & quantitative solutions, portfolio management, legal & compliance, fixed income trading and derivative operations.

In order to reasonably segregate the functions of risk management from the portfolio management of the Funds, individuals from portfolio management functions do not constitute the majority of the officers constituting the Oversight Committee. Further, and as with all investments, the portfolio advisor and the investment subadvisor maintain a distinct segregation of duties between the portfolio management teams that request the purchase or sale of a given security or the execution of a derivatives transaction, the global investment control team that will authorize the transaction if it complies with applicable investment limits, and the trading team that actually executes the trade.

Compliance personnel at the derivatives portfolio advisor and the Manager monitor the derivatives holdings and cash cover levels for compliance with the Funds' investment objectives and strategies. Finally, and in addition to the measures described herein, further measures are taken to mitigate risks, such as collateral liquidity stress tests, investment limits and counterparty oversight.

Securities lending, repurchase and reverse repurchase transactions

The Funds may engage in securities lending, repurchase and reverse repurchase transactions in accordance with the requirements of applicable securities law. Prior to engaging in such transactions, the Manager will appoint an agent for the Funds who will administer the repurchase and reverse repurchase transactions and securities lending agreements, including negotiating the agreements, assessing the creditworthiness of counterparties, collecting the fees earned by the Funds and monitor the market value of the securities sold, loaned or purchased and the collateral received to confirm each Fund holds the appropriate value of collateral as required by applicable securities laws.

Under applicable securities laws, the collateral received by a Fund in a securities lending transaction and the debt securities delivered to the Fund in a reverse repurchase transaction must have a market value of at least 102% of the value of the securities loaned or the cash paid by the Fund for the securities purchased. The value of the collateral must be at least 102% of the market value of the securities sold (for a repurchase transaction) or of the cash paid for the

securities purchased (in a reverse repurchase transaction). Under applicable securities laws, securities lending transactions, together with repurchase transactions, are limited to 50% of a Fund's NAV determined immediately after the Fund enters into any such transaction.

A custodian or sub-custodian will act as agent for the Funds in administering any repurchase and reverse repurchase transactions and securities lending transactions for the Funds, including negotiating the agreements, assessing the creditworthiness of the counterparties and collecting the fees earned by the Funds.

Currently, none of the Funds engage in securities lending, repurchase or reverse repurchase transactions. Before a Fund engages in such transactions, the Manager will have written policies and procedures in place to monitor compliance with applicable securities laws.

Proxy voting

The Manager has delegated proxy voting to the investment subadvisor. The investment subadvisor has adopted proxy voting guidelines which are summarized as follows:

The investment subadvisor has adopted Proxy Voting Procedures and Principles (the "Principles") with respect to voting proxies of securities held by the Funds and other funds managed by the investment subadvisor.

The Principles provide an important framework for analysis and decision-making by all funds managed by the investment subadvisor. However, they are not exhaustive and do not address all potential issues. The Principles provide a certain amount of flexibility so that all relevant facts and circumstances can be considered in connection with every vote. As a result, each proxy received is voted on a case-by-case basis considering the specific circumstances of each proposal. The voting process reflects the investment subadvisor's understanding of the company's business, its management and its relationship with shareholders over time. In all cases, the investment objectives and policies of the funds managed by the investment subadvisor remain the focus.

The investment subadvisor seeks to vote all the Funds' proxies, provided there is sufficient time and information available; however, in certain circumstances it may be impracticable or impossible to do so, including when securities are out on loan as part of a securities lending program. Certain regulators have granted investment limit relief to the investment subadvisor and its affiliates, conditioned upon limiting its voting power to specific voting ceilings. To comply with these voting ceilings, the investment subadvisor will scale back its votes across all funds and clients on a *pro rata* basis based on assets.

After a proxy statement is received, the investment subadvisor's stewardship and engagement team prepares a summary of the proposals contained in the proxy statement. A notation of any potential conflicts of interest also is included in the summary (see below for a description of the investment subadvisor's special review procedures).

For proxies of securities managed by a particular equity investment division of the investment subadvisor, the initial voting recommendation is made either by one or more of the division's investment analysts familiar with the company and industry or, for routine matters, by a member of the investment subadvisor's stewardship and engagement team and reviewed by the applicable analyst(s). Depending on the vote, a second recommendation may be made by a proxy coordinator (an investment analyst or other individual with experience in corporate governance and proxy voting matters) within the appropriate investment division, based on knowledge of these Principles and familiarity with proxy-related issues. The proxy summary and voting recommendations are made available to the proxy voting committee of the applicable investment division for a final voting decision. In cases where a fund is co-managed and a security is held by more than one of the investment subadvisor's equity investment divisions, the divisions may develop different voting recommendations for individual ballot proposals. If this occurs, and if permitted by local market conventions, the fund's position will generally be voted proportionally by divisional holding, according to their respective decisions. Otherwise, the outcome will be determined by the equity investment division or divisions with the larger position in the security as of the record date for the shareholder meeting.

In addition to its proprietary proxy voting, governance and executive compensation research, the investment subadvisor may utilize research provided by Institutional Shareholder Services, Glass-Lewis & Co. or other third-party advisory firms on a case-by-case basis. While the investment subadvisor assesses the information provided by proxy-advisory firms, it does not, as a policy, follow the voting recommendations provided by these firms.

From time to time the investment subadvisor may vote proxies issued by, or on proposals sponsored or publicly supported by (a) a client with substantial assets managed by the investment subadvisor or its affiliates, (b) an entity with a significant business relationship with The Capital Group Companies, Inc. or its affiliates, or (c) a company with a director of the investment subadvisor's fund on its board (each referred to as an "Interested Party"). Other persons or entities may also be deemed an Interested Party if facts or circumstances appear to give rise to a potential conflict.

The investment subadvisor has developed procedures to identify and address instances where a vote could appear to be influenced by such a relationship. Each equity investment division of the investment subadvisor has established a Special Review Committee ("SRC") of senior investment professionals and legal and compliance professionals with oversight of potential conflict matters.

If a potential conflict is identified according to the procedure above, the SRC will take appropriate steps to address the conflict of interest, which may include engaging an independent third party to review the proxy, using Capital Group's Principles, and provide an independent voting recommendation to the investment subadvisor for vote execution. The investment subadvisor will generally follow the third party's recommendation except when it believes the recommendation is inconsistent with the investment subadvisor's fiduciary duty. Occasionally, it may not be feasible to engage a third party to review the matter due to compressed timeframes or other operational issues. In this case, the SRC will take appropriate steps to address the conflict

of interest including reviewing the proxy after being provided with a summary of any relevant communications with the Interested Party, the rationale for the voting decision, information on the organization's relationship with the Interested Party and any other pertinent information.

The investment subadvisor's general positions related to various proposals are reflected below.

Director matters — The election of a company's slate of nominees for director generally is supported. Votes may be withheld for some or all of the nominees if this is determined to be in the best interest of shareholders or if, in the opinion of the investment subadvisor, such nominee has not fulfilled his or her fiduciary duty. In making this determination, the investment subadvisor considers, among other things, a nominee's potential conflicts of interest, track record in shareholder protection and value creation as well as their capacity for full engagement on board matters. The investment subadvisor generally supports diversity of experience among board members, and the separation of the chairman and CEO positions.

Governance provisions — Proposals to declassify a board (elect all directors annually) are supported based on the belief that this increases the directors' sense of accountability to shareholders. Proposals for cumulative voting generally are supported in order to promote management and board accountability and an opportunity for leadership change. Proposals designed to make director elections more meaningful, either by requiring a majority vote or by requiring any director receiving more withhold votes than affirmative votes to tender his or her resignation, generally are supported.

Shareholder rights — Proposals to repeal an existing poison pill generally are supported. There may be certain circumstances, however, when a proxy voting committee of an investment division of the investment subadvisor believes that a company needs to maintain antitakeover protection. Proposals to eliminate the right of shareholders to act by written consent or to take away a shareholder's right to call a special meeting typically are not supported.

Compensation and benefit plans — Option plans are complicated, and many factors are considered in evaluating a plan. Each plan is evaluated based on protecting shareholder interests and a knowledge of the company and its management. Considerations include the pricing (or repricing) of options awarded under the plan, the impact of dilution on existing shareholders from past and future equity awards, whether compensation packages are structured to attract, motivate and retain existing employees and qualified directors, and whether they are aligned with the long-term success of the company and the enhancement of shareholder value.

Routine matters — The ratification of auditors, procedural matters relating to the annual meeting and changes to company name are examples of items considered routine. Such items generally are voted in favor of management's recommendations unless circumstances indicate otherwise.

ESG shareholder proposals – The investment subadvisor believes environmental and social issues present investment risks and opportunities that can shape a company’s long-term financial sustainability. Shareholder proposals, including those relating to social and environmental issues, are evaluated in terms of their materiality to the company and its ability to generate long-term value in light of the company’s specific operating context. The investment subadvisor generally supports transparency and standardized disclosure, particularly that which leverages existing regulatory reporting or industry standard practices. With respect to environmental matters, this includes disclosures aligned with industry standards and sustainability reports more generally. With respect to social matters, the investment subadvisor expects companies to be able to articulate a strategy or plan to advance diversity and equity within the workforce, including the company’s management and board, subject to local norms and expectations. To that end, disclosure of data relating to workforce diversity and equity that is consistent with broadly applicable standards is generally supported. However, ESG considerations are not necessarily determinative to the investment subadvisor’s voting decisions.

These summaries of the investment subadvisor’s proxy voting policies, principles and procedures are qualified by the full policies, which are available upon request, at no cost, by calling toll free 1-888-421-5111 or by writing to Capital International Asset Management (Canada), Inc., Bay Wellington Tower, Brookfield Place, 181 Bay Street, Suite 3100, Toronto, Ontario M5J 2T3.

The proxy voting record of each Fund for the period ending June 30 each year is available free of charge to any unitholder of a Fund at any time after August 31 of that year on the Funds’ website at capitalgroup.com/ca/en/investments or at capitalgroup.com/ca or upon request.

Remuneration of directors, officers and trustee

No payment or reimbursement has been made by a Fund to the directors and executive officers of the Manager.

Each IRC member currently receives an annual retainer of \$27,500 plus per-meeting attendance fees (\$2,750 per member for in-person meetings and \$1,100 per member for electronic meetings) and expenses (including reasonable meal, travel and accommodation expenses) for each meeting of the IRC. Other fees and expenses payable in connection with the IRC include insurance, legal fees and fees associated with IRC members’ continuing education paid for that calendar year.

IRC related expenses are paid for by the Manager for each of the Funds in exchange for the payment of a fixed rate annual administration fee. The aggregate IRC related expenses are equally allocated across the Funds and all other mutual funds managed by the Manager. Each Fund’s share of the IRC’s expenses is disclosed in the relevant Fund’s annual financial statements.

We are not paid a fee in our capacity as trustee, but we are entitled under the Declaration of Trust to be reimbursed for any costs incurred on the Funds’ behalf.

Material contracts

The material contracts that have been entered into by or on behalf of the Funds are as follows:

- the Declaration of Trust, as described under *Name, Formation and History of the Funds* on page 81. The Trustee may resign and be discharged from all duties and liabilities under the Declaration of Trust by giving the Manager at least 90 days' prior notice in writing, or any shorter notice acceptable to the Manager;
- the Custodian Agreement, as described under "*Responsibility for the Capital Group Funds' administration – Custodian*" on page 10. The Custodian Agreement may be terminated by either the Manager or State Street with at least 60 days' prior written notice to the other;
- the Investment Advisory Agreement, as described under "*Responsibility for the Capital Group Funds' administration*" on page 4. The Investment Advisory Agreement may be terminated by either party with at least 30 days' prior written notice to the other; and
- the Sub-Advisory Agreement, as described under "*Responsibility for the Capital Group Funds' administration – Portfolio advisor*" on page 4. The Sub-Advisory Agreement may be terminated by either party with at least 60 days' prior written notice to the other.

Copies of the aforementioned documents are available on sedarplus.ca and may be consulted during normal business hours at the offices of the Manager at Suite 3100, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

Legal and administrative proceedings

We are not aware of any ongoing legal and administrative proceedings material to the Capital Group Funds or the Manager's investment management activities to which we or any Capital Group Fund is a party.

Designated website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Funds that this document pertains to can be found at: capitalgroup.com/ca/en/investments.

Valuation of portfolio securities

The market value of the assets of a Fund is determined by applying the following rules:

- a) the value of any cash on hand, on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest, declared or accrued and not yet received, shall be deemed to be the full amount thereof, unless the Manager, or its agent, has determined that any such deposit, bill, demand note or

account receivable is not worth the full amount thereof, in which event the value thereof shall be such value as the Manager, or its agent, determines to be the reasonable value thereof;

- b) the value of any share, subscription right or other equity security including a depositary receipt which is listed or dealt in upon a stock exchange shall be determined by taking the latest available sale price or exchange close price (or lacking any sales or any record thereof, a price not higher than the latest available asked price and not lower than the latest available bid price thereof as the Manager, or its agent, may from time to time determine) on each day that the TSX is open for trading (the "Valuation Date"), as reported by any means in common use.
- c) the value of any bond or other debt security, including a short-term security, shall be determined by using prices supplied by pricing agents of the Manager, or its agent, which reflect broker/dealer supplied valuations and electronic data processing techniques. If it is not possible to value a particular debt security pursuant to these valuation methods, then the value of such security shall be valued in good faith at the mean quoted bid and asked prices that are reasonably and timely available (or bid prices, if asked prices are not available) or at prices for debt securities of comparable maturity, quality and type.
- d) securities with both equity and fixed income characteristics (e.g., convertible bonds, preferred stocks, etc.), or equity securities traded principally among fixed income dealers, are generally valued in the manner described above for either equity or fixed income securities, depending on which method is deemed appropriate by the Manager;
- e) the value of any share, subscription right or other equity security or other property which is not listed or dealt on a stock exchange shall be determined on the basis of such price quotations which in the opinion of the Manager, or its agent, most closely reflect its fair value;
- f) forward currency contracts are valued based on the spot and forward exchange rates supplied by third-party pricing vendors;
- g) margin paid or deposited on standardized futures or forward contracts:
 - (i) will be reflected as an account receivable; and
 - (ii) if not in the form of cash, will be noted as held for margin;
- h) swaps are generally valued using evaluated prices obtained from third-party pricing vendors who calculate these values based on market inputs that may include the yields of the indices referenced in the instrument and the relevant

curve, dealer quotes, default probabilities and recovery rates, other reference data, and terms of the contract;

- i) exchange-traded options and futures are generally valued at the official closing price for options and official settlement price for futures on the exchange or market on which such instruments are traded, as of the close of business on the day such instruments are being valued;
- j) all assets of the Fund valued in foreign currency, funds on deposit and contractual obligations payable to the Fund in foreign currency and liabilities and contractual obligations payable by the Fund in foreign currency shall be taken at the exchange rate at the NAV Calculation Time. Foreign currency is currency other than Canadian currency;
- k) the value of any restricted security for which none of the above valuation procedures is applicable, shall be the fair value thereof as determined from time to time in such manner as the Manager, or its agent, may determine;
- l) securities of underlying funds shall be valued at their respective net asset values for such securities quoted by the manager of the underlying fund on the relevant Valuation Date; and
- m) the value of any bond, time note, share, subscription right or other security or other property for which none of the above valuation procedures is applicable or do not appropriately reflect the prices which would be received by the Fund upon the disposal of the securities, shall be the fair value thereof as determined from time to time in such manner as the Manager, or its agent, may determine.

The Declaration of Trust contains details of the liabilities to be included by the Manager, or its agent, in calculating the NAV of each series of units of each Fund.

The Manager has not used its discretion to deviate from the valuation practices described above in the last three years.

Calculation of net asset value

The NAV of each series of units of a Fund is determined by the Manager, or its agent, as at 4:00 p.m. Eastern Time, or, if the Manager determines in its sole discretion, as at such other earlier time the Designated Exchange closes for the day, ("NAV Calculation Time"), on each Valuation Date. Each ETF Unit is valued in Canadian dollars.

At the NAV Calculation Time, on each Valuation Date, the Manager, or its agent, will calculate a unit price for each series of units of a Fund. The unit price of each series of units of a Fund is calculated by dividing the market value of the net assets of a Fund allocated to that series (the value of the proportionate share of assets of the Fund allocated to that series less the liabilities

of that series and the proportionate share of the common liabilities of the Fund allocated to that series) by the total number of outstanding units of that series. The unit price is the basis for all purchases, redemptions and exchanges and for the reinvestment of distributions.

The Manager will make available the NAV of each series of units of a Fund and the series NAV per unit of each Fund on its website at capitalgroup.com/ca. Such information will also be available on request, free of charge, by calling the Manager toll free at 1-888-421-5111.

Purchases, redemptions and exchanges

Initial Investment in the Funds

In compliance with NI 81-102, the Funds will not issue Units to the public until orders aggregating not less than \$500,000 have been received by a Fund from investors other than persons or companies related to the Manager or its affiliates and have been accepted by that Fund. In addition, the initial issuance of Units will not occur until a Fund has received, in aggregate, subscriptions sufficient to satisfy the listing requirements of the Designated Exchange.

How to buy units in the Funds

Units of the Funds are sold on a continuous basis. There is no maximum number of Units that may be issued.

The Manager, on behalf of the Funds, has applied to list the Units on the Designated Exchange. The Designated Exchange has not conditionally approved the Funds' listing application and there is no assurance that the Designated Exchange will approve the listing application. Subject to receiving conditional approval and satisfying the Designated Exchange's original listing requirements, the Units will be listed on the Designated Exchange and investors will be able to buy or sell such Units on the Designated Exchange through registered brokers and dealers in the province or territory where the investor resides. The following chart sets out the full legal name as well as the Designated Exchange ticker symbol for the Units of each of the Funds:

Fund	Ticker Symbol
Capital Group International Equity Select ETF™ (Canada)	CAPI
Capital Group Global Equity Select ETF™ (Canada)	CAPG
Capital Group World Bond Select ETF™ (Canada)	CAPM

Capital Group Multi-Sector Income Select ETF™ (Canada)	CAPW
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Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any Fund in connection with buying or selling Units on the Designated Exchange. Investors may trade Units in the same way as other securities listed on the Designated Exchange, including by using market orders and limit orders.

As described under “Book-Entry Only System”, registration of interests in, and transfers of, the Units are made only through CDS. Beneficial owners do not have the right to receive physical certificates evidencing their ownership of Units.

Designated Brokers for Units

All orders to purchase Units directly from a Fund must be placed by the Designated Broker or Dealers. Each Fund reserves the absolute right to reject any subscription order placed by the Designated Broker and/or a Dealer. No fees will be payable by a Fund to the Designated Broker or a Dealer in connection with the issuance of Units of the Fund. On the issuance of Units, the Manager may, at its discretion, charge an Exchange and Redemption Fee (as defined below) to a Dealer or Designated Broker, on behalf of the Fund, to offset any expenses incurred in issuing the Units.

On any Trading Day, a Designated Broker or a Dealer may place a subscription order for the PNU or an integral multiple of the PNU of a Fund. If a subscription order is received by a Fund at or before the applicable cut-off time, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the Fund will generally issue to the Dealer or Designated Broker the PNU (or an integral multiple thereof) within two Trading Days from the effective date of the subscription order. The Fund must receive payment for the Units subscribed for within two Trading Days from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of a Fund, a Dealer or Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the applicable PNU of the Fund determined at the Valuation Time on the effective date of the subscription order. The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the net asset value of the applicable PNU of the Fund determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, associated brokerage expenses, commissions, transaction costs and other costs or expenses that the Funds incur or expect to incur in purchasing securities on the market with such cash proceeds.

The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of a Fund for cash in a dollar amount not to exceed 0.30% of the NAV of the Fund, or such other amount as may be agreed to by the Manager and the Designated Broker. The number of Units issued will be the subscription amount divided by the series NAV per Unit of the Units next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the first Trading Day after the subscription notice has been delivered (or any other period of time as may be specified under applicable securities laws).

The Manager will, except when circumstances prevent it from doing so, disclose the number of Units comprising a PNU for a particular Fund to applicable investors, the Designated Broker and Dealers following the close of business on each Trading Day. The Manager may, at its discretion, increase or decrease the applicable PNU from time to time and such changes will be made available to applicable investors, the Designated Broker and Dealers.

Special Considerations for Holders of Units

The provisions of the so-called “early warning” requirements set out in Canadian securities legislation do not apply in connection with the acquisition of Units. In addition, the Funds have obtained exemptive relief from the Canadian securities regulators to permit Unitholders to acquire more than 20% of the Units of any Fund through purchases on the Designated Exchange without regard to the take-over bid requirements of Canadian securities legislation.

Redemptions and Exchanges

Redemptions of Units

On any Trading Day, Unitholders of a Fund may redeem (i) Units of the Fund for cash at a redemption price per ETF Unit equal to 95% of the closing price for the Units on the Designated Exchange on the effective day of the redemption, subject to a maximum redemption price per ETF Unit equal to the series NAV per Unit of the Units on the effective day of redemption, less any applicable Exchange and Redemption Fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of a Fund or a multiple PNU of a Fund for cash equal to the net asset value of that number of Units of the Fund less any applicable Exchange and Redemption Fee determined by the Manager, in its sole discretion from time to time. Because Unitholders will generally be able to sell Units at the market price on the Designated Exchange through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the Funds are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or any Fund in connection with selling Units on the TSX. In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the applicable Fund must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the first Trading Day after the effective day of the

redemption (or any other period of time as may be specified under applicable securities laws). The cash redemption request forms may be obtained from any registered broker or Dealer.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of a Fund, the Fund will generally dispose of securities or other financial instruments.

Exchange of Units of a Fund at Series NAV per ETF Unit for Baskets of Securities and/or Cash

Unitholders of a Fund may exchange the applicable PNU (or an integral multiple thereof) of the Fund on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units of a Fund, a Unitholder must submit an exchange request in the form and at the location prescribed by the Fund from time to time at or before the applicable cut-off time, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the net asset value of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to Dealers and the Designated Broker the applicable PNU to redeem Units of the Funds on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the net asset value of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay the brokerage expenses, commissions, transaction costs and other costs or expenses that the Funds incur or expect to incur in selling securities on the market to obtain the necessary cash for the exchange.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the first Trading Day after the effective day of the exchange request (or any other period of time as may be specified under applicable securities laws). See "Exemptions and Approvals".

If any securities in which a Fund has invested cease to trade at any time by order of a Canadian securities regulator or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a Unitholder, Dealer or Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "Book-Entry Only System", registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. The redemption and exchange

rights described herein must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption and/or exchange instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described herein to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, a Fund may allocate and designate as payable any net capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption of Units or exchange of Units to a Unitholder whose Units are being redeemed or exchanged, as applicable. In addition, each Fund has the authority to distribute, allocate and designate any net capital gains of the Fund to a Unitholder who has redeemed Units or exchanged Units of the Fund during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, as applicable, of the Fund's net capital gains for the year. Any such distributions, allocations and designations will reduce the redemption or exchange price otherwise payable to the redeeming Unitholder.

Under certain rules in the Tax Act (the "ATR Rule"), amounts of taxable capital gains so allocated and designated to redeeming or exchanging Unitholders are only deductible to a Fund to the extent of the redeeming or exchanging Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Fund for the year.

Any taxable capital gains that are not deductible by a Fund under the ATR Rule may be made payable to non-redeeming or exchanging Unitholders of the Fund so that the Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts and taxable component of distributions to non-redeeming or exchanging Unitholders of a Fund may be greater than would have been the case in the absence of the ATR Rule.

Book-Entry Only System

Registration of interests in, and transfers of, Units of a Fund will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of a Fund, the owner will receive only the customary confirmation.

Neither a Fund nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

Suspension of Redemptions

Under exceptional circumstances, we may, at our discretion, suspend or postpone the right to exchange or redeem Units of a Fund:

- for any period where normal trading is suspended in any markets where securities or derivatives are traded that represent more than 50% of a Fund's total asset value if those securities or derivatives are not traded on another market or exchange that represents a reasonable and practical alternative; or
- at any time with the consent of the appropriate securities regulatory authorities.

If the right to redeem is suspended or postponed, and if a pending exchange or redemption order is not withdrawn before the end of the suspension period, the Fund will exchange or redeem the Units in accordance with the exchange or redemption order at the applicable NAV per unit calculated on the first Valuation Date following the end of the suspension. During any period of suspension, exchanges and purchase orders for Units of the affected Fund will not be processed until the first Valuation Date following the end of the suspension.

Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of a Fund (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent and registrar and administrator of the Fund of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a Fund then outstanding (on either a number of Units or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units of a Fund (on either a number of Units or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell or redeem their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold or redeemed the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell or redeem such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale or redemption, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale or redemption of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of a Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

Short-term trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the Units at this time as the Units are exchange traded securities that are primarily traded in the secondary market.

Fees and expenses

The following tables show the fees and expenses you will have to pay if you invest in the Funds. Some of these fees may be paid directly by you; other fees may be payable by the Funds, which will reduce the value of your investment in the Funds.

The consent of a Fund's unitholders will be obtained if: (i) any change is made in the basis of the calculation of a fee or expense charged to a Fund or a series, or directly to you by us in connection with the holding of units of a Fund, in a way that could result in an increase in charges to the Fund, a series or you; or (ii) a fee or expense is introduced which is charged to a Fund or a series, or directly to you by us in connection with the holding of units of a Fund, that would result in an increase in charges to the Fund, a series or you. With respect to the changes referred to in (i) and (ii)(ii) above, where unitholder approval is not required under securities regulations or if the change is the result of a change made by a third party at arm's length to the Fund, then the consent of unitholders will not be obtained. Instead, unitholders of a Fund or the relevant series will be given at least 60 days' notice of the change before the effective date of the change.

If a Fund holds securities of another mutual fund:

- there are fees and expenses payable by the other mutual fund in addition to the fees and expenses payable by a Fund;
- no management fees or incentive fees are payable by a Fund that, to a reasonable person, would duplicate a fee payable by the other mutual fund;
- no sales fees or redemption fees are payable by a Fund in relation to its purchases or redemptions of the securities of the other mutual fund if the other mutual fund is managed by the Manager or an affiliate or associate of the Manager; and
- no sales or redemption fees are payable by a Fund in relation to its purchases or redemptions of securities of the other mutual fund that, to a reasonable person, would duplicate a fee payable by an investor in a Fund.

Fees and expenses payable by the Funds

Management fees – Each Fund pays the Manager a management fee. For its management fee, the Manager provides all managerial, supervisory and administrative services required for the proper day-to-day operation of the Funds. These services include, but are not limited to, providing or causing to be provided (in whole or part through the investment subadvisor) all investment advisory services required for the Funds; arranging for the relevant accounting, custodial, financial reporting and transfer agency activities for the Funds; securityholder communications; and applicable regulatory filings.

The management fees are calculated on the amount of net assets of a Fund. The annual management fee rates for the Funds are as follows:

Fund Name	Management Fee
Capital Group International Equity Select ETF™ (Canada)	[0.70]%
Capital Group Global Equity Select ETF™ (Canada)	[0.70]%
Capital Group World Bond Select ETF™ (Canada)	[0.45]%
Capital Group Multi-Sector Income Select ETF™ (Canada)	[0.42]%

Management fees are based on the NAV of a series of units, which is calculated daily, and are subject to applicable taxes such as Goods and Services Tax ("GST") or Harmonized Sales Tax ("HST").

Sales Tax-- The Funds are required to pay the GST or HST and other applicable taxes on management and advisory fees, administration fees and other operating expenses. The GST/HST rate that ultimately applies to the fees and expenses paid during the year for a Fund is determined based on the portion of the NAV of the Fund attributable to investors resident in each province or territory at a certain point in time during the prior year and the GST/HST rate applicable for each of those provinces or territories. The rate varies from year to year based on different investors and their investments in a Fund. Changes in existing GST or HST rates,

adoption of HST by other provinces or territories, the repeal of HST by HST-participating provinces and differences in the provincial and territorial distribution of assets within each Fund all impact the management expense ratio of each Fund year over year.

Operating expenses-- The Manager has implemented a fixed-rate annual administration fee for the Funds. We pay the following operating expenses of each of the Funds, provided such operating expenses are incurred in the normal course of business of the Funds (the "Administration Expenses"), other than certain Fund Costs (as defined below), in exchange for the payment by the Fund of a fixed-rate annual administration fee (the "Administration Fee") to us with respect to each applicable series of the Fund, as described in the table below. The Administration Expenses include, but are not limited to, recordkeeping and unit transfer services; safekeeping and custodial fees; legal, accounting, audit and other professional advisory fees; fees and expenses related to IRC, including the costs of holding meetings, insurance premiums for the IRC, reimbursement for expenses to members of IRC and the fees and expenses of any advisors engaged by the IRC; fees related to the currency hedging overlay strategies of World Bond; unitholder servicing costs; expenses required to comply with governmental and regulatory requirements; costs of preparing and distributing prospectuses, ETF Facts, management reports of fund performance, financial reports and investor communications; and regulatory filing fees. We are not obligated to pay any other expense, cost or fee, including those arising from new or any change to existing government or regulatory requirements relating to the foregoing expenses, costs and fees, including new fees.

The "Fund Costs", which are in addition to the Administration Fee, are all other expenses of the Funds and will continue to be allocated to, and paid by, each Fund, and include: (a) bank and interest charges; (b) taxes of all kinds (including GST/HST) to which the Funds may be subject; and (c) any other expense, cost or fee, including those arising from new or any change to existing government or regulatory requirements. We may, at our discretion, (i) waive a portion or the entire amount of the Administration Fee chargeable to a Fund at any given time; and (ii) pay certain Fund Costs for a Fund.

Each Fund will also continue to pay its portfolio transaction costs, which include costs associated with the purchase and sale of securities and other property, such as commissions and brokerage fees on portfolio investments of the Funds, the costs of any derivative transactions (excluding, costs related to the currency hedging overlay strategy of World Bond), service charges and research and execution costs. Portfolio transaction costs are not considered to be operating expenses.

The Administration Fee is equal to a specified percentage of the NAV of each Fund and is accrued daily and payable monthly. The Administration Fee is subject to GST/HST and other applicable taxes.

The Administration Fee rates for the Funds are as follows:

Fund Name	Administration Fee
Capital Group International Equity Select ETF™ (Canada)	[0.03]%
Capital Group Global Equity Select ETF™ (Canada)	[0.04]%
Capital Group World Bond Select ETF™ (Canada)	[0.09]%
Capital Group Multi-Sector Income Select ETF™ (Canada)	[0.05]%

*The Manager may waive a portion or the entire amount of the Administration Fee that is received from the Funds. As a result, the Administration Fee payable by each Fund may be lower than the fees shown in the table above. The Manager may, in its sole discretion, suspend or cease to offer any waivers at any time without notice.

Management expense ratio (“MER”) - Expenses for each Fund comprise the management fee, the Administration Fee, the Fund Costs, applicable taxes, including GST/HST, and Fund-specific fees, if any. The MER is the total of the Fund Costs and the Fund’s fees and expenses, if any, expressed as an annualized percentage of the average NAV allocated to that Fund during the period. The MER includes GST and HST but excludes portfolio transaction costs.

Fund of Funds fees and expenses – When a Fund invests in an underlying conventional mutual fund, the Fund will not pay management fees, sales charges or redemption fees on the underlying fund to avoid duplication of fees, if any, already paid by the Fund. However, to the extent that a Fund invests in an underlying fund, the Fund indirectly bears certain of the operating expenses of the underlying fund (similar to an investor that invests in the underlying fund).

A Fund may, from time to time, invest in ETFs as part of its investment strategy. There may be brokerage commissions associated with the purchase or sale of ETFs. An ETF is typically required to pay management fees to the ETF’s fund manager.

Fees and expenses payable directly by you

Item	Fee
Exchange and Redemption Fee	An amount as may be agreed to between the Manager and the Designated Broker or a Dealer of a Fund may be charged by the Manager, on behalf of the Fund, to offset certain transaction costs, including brokerage expenses, commissions and other costs and expenses, associated with an issue, exchange or redemption of Units of that Fund (the “ Exchange and Redemption Fee ”). This charge does not apply to Unitholders who buy and sell their Units through the facilities of the Designated Exchange.

Management fee distribution

The Manager may, at its discretion, authorize a reduction in the management fee, Administration Fee (defined above) and operating expenses that it charges with respect to any investor’s units in a Fund. To effect such a reduction, the Manager may reduce the management fee, Administration Fee and operating expenses otherwise charged to the Fund with respect to the particular investor’s units and the Fund will pay a corresponding amount to the investor as a special distribution (a “management fee distribution”). Management fee distributions are paid first out of net income and net realized capital gains, and thereafter out of capital. The income tax consequences of management fees distributions made by the Fund generally will be borne by the investors receiving the management fee distributions and are discussed below under the heading “Income tax considerations – Taxation of Holders”.

Income tax considerations

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Funds, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of a Fund by a Unitholder who acquires Units pursuant to this prospectus. This summary only applies to a prospective Unitholder who is an individual (other than a trust) resident in Canada for purposes of the Tax Act, who deals at arm’s length with the Fund and any Designated Broker or Dealer and is not affiliated with the Fund or any Designated Broker or Dealer and who holds Units of the Fund as capital property (a “**Holder**”).

Generally, Units of a Fund will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided a Fund qualifies as a “mutual fund trust” for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of that Fund as capital property may, in certain circumstances, be entitled to have such Units and all other “Canadian securities” owned or subsequently acquired by them treated as capital property by

making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a “derivative forward agreement” as that term is defined in the Tax Act with respect to the Units.

This summary is based on the assumptions that (i) none of the Funds will be a “SIFT trust” or “covered entity” for purposes of the Tax Act, (ii) none of the issuers of the securities in the portfolio of a Fund will be a foreign affiliate for purposes of the Tax Act of the Fund or of any Holder, (iii) none of the securities in the portfolio of a Fund will be a “tax shelter investment” within the meaning of section 143.2 of the Tax Act, (iv) none of the Funds will enter into any arrangement (including the acquisition of securities for the Fund’s portfolio) where the result is a “dividend rental arrangement” for purposes of the Tax Act, and (v) none of the securities in the portfolio of a Fund will be, or be an interest in, an “offshore investment fund property” within the meaning of section 94.1 of the Tax Act (or an interest in a partnership that holds such property) that would require the Fund (or the partnership) to include significant amounts in the Fund’s (or the partnership’s) income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Fund (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an “exempt foreign trust” for the purposes of section 94 of the Tax Act (or a partnership which holds such interest).

This summary is based on the facts described herein, the current provisions of the Tax Act, counsel’s understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof and certificates of the Manager. This summary takes into account specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Amendments**”). This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of a Fund. This summary does not address the deductibility of interest on any funds borrowed by a Unitholder to purchase Units of a Fund. The income and other tax consequences of investing in Units of a Fund will vary depending on an investor’s particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of a Fund. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of a Fund based on their particular circumstances.

Certain Tax Amendments released by the Minister of Finance (Canada) on June 10, 2024 (the “**Capital Gains Amendments**”) would generally increase the capital gains inclusion rate from one-half to two-thirds. The Capital Gains Amendments are described in this summary under the heading “Capital Gains Amendments”, but are not otherwise described in this summary.

Status of the Funds

This summary is based on the assumptions that each Fund will qualify (or will be deemed to qualify) at all times as a “mutual fund trust” within the meaning of the Tax Act and that each Fund has not been established or maintained, and will not be maintained, primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be “taxable Canadian property” within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust, (i) a Fund must be a Canadian resident “unit trust” for purposes of the Tax Act, (ii) the only undertaking of the Fund must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Fund, or (c) any combination of the activities described in (a) and (b), and (iii) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of its Units (the “**minimum distribution requirements**”).

In this connection, the Manager has advised counsel that (i) it intends to cause each Fund to qualify as a unit trust throughout the life of the Fund, and (ii) each Fund’s undertaking conforms with the restrictions for mutual fund trusts. In addition, the Manager has advised counsel that it intends to file the necessary elections so that each Fund will qualify as a mutual fund trust from its inception and has no reason to believe that any Fund will not comply with the minimum distribution requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to “loss restriction events”) and at all times thereafter, thereby permitting the filing by each Fund of such election.

If a Fund were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of that Fund.

Provided that a Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units of such Fund are listed on a “designated stock exchange” within the meaning of the Tax Act (which currently includes the TSX), the Units of that Fund will be qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, an RDSP, a DPSP, an RESP, a TFSA or an FHSA (“**Plans**”). See “Income Tax Considerations – Taxation of Registered Plans” for the consequences of holding Units in Plans.

Taxation of the Funds

Each Fund intends to make an election to have a taxation year that ends on December 15 of each calendar year for its first taxation year. Each Fund must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable (or deemed to be paid or payable) to its Unitholders in the calendar year in which the taxation year-end falls. An amount will be considered to be payable to a Unitholder of a Fund in a calendar year if it is paid to the Unitholder in that year by the Fund or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable in respect of each taxation year of a Fund so that the Fund is not liable for any non-refundable income tax under Part I of the Tax Act.

Each Fund is required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

With respect to indebtedness, each Fund will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in that year, including on a conversion, redemption or repayment on maturity) or that has become receivable or is received by the applicable Fund before the end of that year, except to the extent that such interest was included in computing the income of the Fund for a preceding taxation year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Fund.

In general, a Fund will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such security unless the Fund were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Fund has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that each Fund intends to purchase the securities in its portfolio (other than derivatives) with the objective of receiving dividends and other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Manager has also advised counsel that each Fund will make an election under subsection 39(4) of the Tax Act (if available) so that all securities held by such Fund that are "Canadian securities" (as defined in the Tax Act) are or will be deemed to be capital property to such Fund.

Each Fund will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units of the Fund during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of a Fund for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the Fund.

In general, gains and losses realized by a Fund from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Fund.

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

Certain Funds may enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities in their portfolios. The cost and proceeds of disposition of securities, dividends and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by a Fund may be affected by fluctuations in the value of foreign currencies relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of a Fund will likely constitute capital gains and capital losses to the Fund if the securities in the Fund’s portfolio are capital property to the Fund and provided there is sufficient linkage.

The DFA Rules target certain financial arrangements (referred to as “derivative forward agreements”) that seek to deliver a return based on an “underlying interest” (other than certain excluded underlying interests). The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of any derivatives to be utilized by a Fund, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

The Funds will, directly or indirectly (including through Underlying Funds), derive income or gains from investments in countries other than Canada, and as a result may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by a Fund exceeds 15% of the amount included in the Fund’s income from such investments, such excess may generally be deducted by the Fund in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid by a Fund (or paid by an Underlying Fund and deemed to be paid by a Fund) does not exceed 15% of such amount and has not been deducted in computing the Fund’s income, the Fund may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Fund’s income distributed to such Holder so that such income and a portion of the foreign tax paid by the Fund may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

To the extent a Fund holds trust units issued by a trust resident in Canada (including an Underlying Fund) that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the Fund will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Fund by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Fund will effectively retain their character in the hands of the Fund. The Fund will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Fund except to the extent that the amount was included in calculating the income of the Fund or was the Fund's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Fund. If the adjusted cost base to the Fund of such units becomes a negative amount at any time in a taxation year of the Fund, that negative amount will be deemed to be a capital gain realized by the Fund in that taxation year and the Fund's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in a Fund's portfolio that is a "SIFT trust" (which will generally include income trusts, other than certain REITs, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Income**"). Non-Portfolio Income that is distributed by an issuer that is a SIFT trust to its unitholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

A Fund is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Fund and not reimbursed are deductible by the Fund ratably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, the Fund may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by a Fund in a taxation year cannot be allocated to Holders, but may be deducted by the Fund in future years in accordance with the Tax Act.

Taxation of Holders

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of a Fund, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such amount is automatically reinvested in additional Units or whether as a management fee distribution). Provided that a Fund elects to have a taxation

year that ends on December 15 of each calendar year, amounts paid or payable by a Fund to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, a Fund is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year to the extent necessary to enable the Fund to use, in that taxation year, losses from prior years without affecting the ability of the Fund to distribute its income annually. In such circumstances, the amount distributed to a Holder but not deducted by the Fund will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the Fund will be reduced by such amount. The non-taxable portion of a Fund's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of a Fund for a taxation year that is paid or becomes payable to the Holder for the year (i.e. returns of capital) will not generally be included in the Holder's income for the year but will reduce the adjusted cost base of the Holder's Units of the Fund. To the extent that the adjusted cost base of a Unit of a Fund to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by a Fund, such portion of the net realized taxable capital gains of the Fund, the taxable dividends received or deemed to be received by the Fund on shares of taxable Canadian corporations and foreign source income of the Fund as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from Canadian corporations, the gross-up and dividends tax credit rules will apply, including the enhanced gross-up and credits applicable to dividends designated as "eligible dividends". Where a Fund makes designations in respect of its foreign source income, for the purpose of computing any foreign tax credit that may be available to a Holder, the Holder will generally be deemed to have paid as tax to the government of a foreign country that portion of taxes paid by the Fund to that country that is equal to the Holder's share of the Fund's income from sources in that country.

Any loss of a Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of a Fund, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by a Fund which represents capital gains allocated and designated to the redeeming Holder), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit of the Fund. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units following a distribution paid in the form of additional Units will not be

regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units of a Fund to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units of a Fund for a Basket of Securities, or in the case of a distribution of portfolio securities and/or cash on termination of the Fund, a Holder's proceeds of disposition of Units would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received. The cost to a Holder of any property received from the Fund upon the exchange or termination will generally be equal to the fair market value of such property at the time of the distribution. In any such cases, the investor may receive securities that are not qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Holders should consult their own tax advisor for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, a Fund may allocate and designate as payable any net capital gains realized by the Fund as a result of any disposition of property of the Fund undertaken to permit or facilitate the redemption or exchange of Units of the Fund to a Holder whose Units are being redeemed or exchanged. In addition, each Fund has the authority to distribute, allocate and designate any net capital gains of the Fund to a Holder who has redeemed or exchanged Units during a year in an amount equal to the Holder's share, at the time of redemption or exchange, of the Fund's net capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder, and therefore the Holder's proceeds of disposition. Under the ATR Rule, amounts of taxable capital gains so allocated and designated to redeeming or exchanging Unitholders are only deductible to a Fund to the extent of the redeeming or exchanging Unitholders' pro rata share (as determined under the ATR Rule) of the net taxable capital gains of the Fund for the year.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of a Fund or a taxable capital gain designated by a Fund in respect of the Holder for a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by a Fund in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Amounts designated by a Fund to a Holder as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units, may increase the Holder's liability for alternative minimum tax.

Taxation of Registered Plans

Amounts of income and capital gains included in a Plan's income are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Plan for the purposes of the Tax Act. Holders should consult their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, the holder of a TFSA, RDSP or FHSA, the annuitant of an RRSP or RRIF or the subscriber of a RESP will be subject to a penalty tax in respect of Units held by such Plan if such Units are a "prohibited investment" for such Plan for the purposes of the Tax Act. The Units of a Fund will not be a "prohibited investment" for a trust governed by such a Plan unless the holder of the TFSA, RDSP or FHSA, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as applicable, (i) does not deal at arm's length with the Fund for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Fund. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Fund unless the holder, annuitant or subscriber, as the case may be, owns interests as a beneficiary under the Fund that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Fund, either alone or together with persons and partnerships with which the holder, annuitant or subscriber, as the case may be, does not deal at arm's length. In addition, the Units will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RDSP, RRSP, RRIF, RESP or FHSA.

Holders, annuitants and subscribers should consult their own tax advisors with respect to whether Units of a Fund would be prohibited investments, including with respect to whether such Units would be excluded property.

Tax Implications of the Funds' Distribution Policy

The NAV per Unit of a Fund will, in part, reflect any income and gains of the Fund that have accrued or been realized, but have not been made payable at the time Units of the Fund were acquired. Accordingly, a Holder who acquires Units of a Fund, including on a reinvestment of distributions or a distribution of Units of the Fund, may become taxable on the Holder's share of such income and gains of the Fund. In particular, an investor who acquires Units of a Fund at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, provided a Fund elects to have a December 15 year-end, where a Holder acquires Units of a Fund in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

Capital Gains Amendments

Under the Capital Gains Amendments, the capital gains inclusion rate applicable for the purposes of determining a taxpayer's taxable capital gains and allowable capital losses for a particular taxation year is proposed to increase from one-half to two-thirds. Where allowable capital losses in excess of taxable capital gains realized in a taxation year (a "net capital loss") are applied

against taxable capital gains realized in another taxation year for which there is a different inclusion rate, the amount of the net capital loss that can be applied against the taxable capital gains will be adjusted to match the inclusion rate used to compute those taxable capital gains.

The Capital Gains Amendments are generally proposed to apply for taxation years ending after June 24, 2024 (for a taxation year that includes June 25, 2024, the period prior to June 25, 2024, being the “first period” and the period after June 24, 2024 being the “second period”). Accordingly, the Capital Gains Amendments include transitional rules that will effectively adjust a taxpayer’s capital gains inclusion rate for the 2024 taxation year to generally include only one-half of “net capital gains” (i.e., capital gains in excess of capital losses) realized by the taxpayer in the first period, with the result that a taxpayer may have a blended inclusion rate for the 2024 taxation year.

A Holder’s income for a particular taxation year in which the increased rate applies will be subject to certain adjustments which are intended to effectively reduce the Holder’s net inclusion rate to the original one-half for up to \$250,000 of net capital gains realized (or deemed to be realized) by the Holder in the year that are not offset by an amount in respect of net capital losses carried back or forward from another taxation year.

The Capital Gains Amendments are complex and may be subject to further changes, and their application to a particular Holder will depend on the Holder’s particular circumstances. Holders should consult their own tax advisors with respect to the Capital Gains Amendments.

International tax reporting

Generally, you will be required to provide your dealer with information related to your citizenship and tax residence, including your foreign taxpayer identification number(s), if applicable. If you (i) are identified as a U.S. Specified Person, as defined in the Canada-United States Enhanced Tax Information Exchange Agreement (including a U.S. resident or U.S. citizen living in Canada), (ii) are identified as a tax resident of a country other than Canada or the U.S., or (iii) do not provide the required information and indicia of U.S. or non-Canadian status is present, information about you and your investment in a Fund will be reported to the CRA unless units are held within a Plan. The CRA will provide that information to the U.S. Internal Revenue Service in the case of U.S. Specified Persons or persons who have not provided the required information and for whom indicia of U.S. status is present or the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada.

If being a U.S. Specified Person or foreign tax resident results in adverse regulatory or tax effects for a Fund, we may redeem some or all of your units. For example, if you did not provide a valid self-certification from a CRA perspective or a valid taxpayer identification number, which could result in non-compliance penalty obligations for a Fund, we may redeem some of your units in the amount of the penalties and retain the proceeds to make the Fund whole for the imposition of such penalties.

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy exchange traded mutual fund securities within 48 hours after the receipt of a confirmation of a purchase of such securities.

Securities legislation in some provinces and territories also provides you with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contain a misrepresentation, or for non-delivery of the ETF Facts. These rights must usually be exercised within certain time limits.

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

Exemptions and approvals

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

Form of prospectus

The Funds have obtained relief from the requirements to prepare and file a long form prospectus for the Units in accordance with National Instrument 41-101 – *General Prospectus Requirements* in the form prescribed by Form 41-101F2 – *Information Required in an Investment Fund Prospectus*, provided that the Funds file a prospectus for the Units in accordance with the provisions of NI 81-101, other than the requirements pertaining to the filing of an fund facts document.

Underwriter prospectus certificate

The Funds have obtained relief from the requirement that a prospectus offering ETF Units contain a certificate of the underwriters.

Takeover bid requirements

The Funds have obtained relief to permit a Unitholder to acquire more than 20% of the Units of a Fund through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian securities legislation. See “Purchases, Redemptions and Exchanges – Special Considerations for Holders of Units”.

Investment in mutual funds

The Funds have applied for regulatory relief that will permit the Funds to invest in underlying funds (the “Underlying Funds”), which are existing sub-funds of an umbrella Société

d'Investissement à Capital Variable ("SICAV") with Undertaking for Collective Investments in Transferable Securities ("UCITS") status and other sub-funds of an umbrella SICAV with UCITS status established in the future or existing sub-funds of investment companies with variable capital, incorporated in Ireland pursuant to the Companies Act and the UCITS Regulations ("UCITS Corporations") and other sub-funds of the UCITS Corporations established in the future under one of the UCITS Corporations, provided that:

- a) the Underlying Fund is subject to investment restrictions and practices under the laws of Luxembourg or Ireland, as applicable, that are applicable to mutual funds that are sold to the general public and is a regulated investment fund authorized as a UCITS;
- b) the Fund will otherwise comply with section 2.5 of NI 81-102 in its investment in the Underlying Fund and will provide all disclosure mandated for fund of fund investing, including disclosing the investment by the Fund in the Underlying Fund in the simplified prospectus of the Fund;
- c) the Fund will not invest, at the time of purchase, more than 10 percent of its net asset value in securities of the Underlying Fund; and
- d) the Fund will not acquire any additional securities of the Underlying Fund and will dispose of the securities of the Underlying Fund then held in an orderly and prudent manner, in the event the regulatory regime for the Underlying Fund is changed to be materially inconsistent with Part 2 of NI 81-102.

Investment in foreign government securities

World Bond has applied for an exemption from section 2.1 (1) of NI 81-102 to permit the Fund to invest up to:

- a) 20% of its net asset value, taken at market value at the time of purchase, in debt securities of any one issuer if those debt securities are issued or fully guaranteed as to principal and interest by supranational agencies or foreign governments (other than the United States of America), provided the securities have a minimum credit rating of "AA" from Standard & Poor's or the equivalent rating by any other rating agency listed in NI 81-102; and
- b) 35% of its net asset value, taken at market value at the time of purchase, in debt securities of any one issuer if those debt securities are issued or fully guaranteed as to principal and interest by supranational agencies or foreign governments (other than the United States of America), provided the securities have a minimum credit rating of "AAA" from Standard & Poor's or the equivalent rating by any other rating agency listed in NI 81-102.

provided that:

- the limits set out in a) and b) above may not be combined for any one issuer;
- the securities purchased must be traded on a mature and liquid market; and

- the acquisition of the securities purchased must be consistent with the fundamental investment objective of the Fund.

Cover for certain derivatives

Under the standard investment restrictions, a Fund is required to hold liquid assets to cover its obligations under certain derivative instruments. Each of the Funds has obtained an exemption from section 2.8(1)(d) and 2.8(1)(f)(i) of NI 81-102 to permit each Fund to use as cover a right or obligation to sell an equivalent quantity of the underlying interest of a forward contract, standardized future or swap when a Fund has a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized futures or forward contract or when a Fund has a swap or the right to receive payments under a swap.

Cover requirements for Short Derivatives, FX Derivatives and Long IR Derivatives

The Funds have received an exemption from the derivative cover requirements of NI 81-102 to allow the Funds to open, enter into or maintain standardized futures, forward contracts or swaps in order to substitute the risk of one currency, interest rate or duration for the risk of another currency, interest rate or duration provided the currency risk, interest rate risk or duration risk to which the Fund is exposed is not increased by the substitution and additional leverage is not created.

The Funds have also obtained relief to permit a Fund to have short positions in a standardized future, forward contract or a position in a swap where the Fund is required to make payments under the swap, subject to an aggregate limit of 20% of the net asset value of a Fund for aggregate direct and synthetic short positions.

Rule 144A Securities

Each of the Funds have obtained relief that permits a Fund to purchase and hold fixed income securities that qualify for, and may be traded pursuant to, the exemption from registration requirements of the *Securities Act of 1933*, as amended (the "**US Securities Act**"), as set out in Rule 144A of the US Securities Act, in excess of the restricted security limitations contained within sections 2.4(1), (2) and (3) of NI 81-102 provided that the Fund qualifies as a "qualified institutional buyer" (as defined in the US Securities Act) at the time of purchase, the securities can be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximates the amount at which the security is valued in calculating the NAV of each series of units of the Fund and the securities are traded [on a mature and liquid](#) market.

Fund Awards and ratings in sales communications

The Funds have received an exemption from paragraphs 15.3(4)(c) and (f) of NI 81-102 to permit the Funds to reference certain Fundata A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leader Ratings in sales communications subject to conditions requiring specified

disclosure and the requirement that the FundGrade A+ Awards and Lipper Awards referenced have not been awarded more than 365 days before the date of the sales communication.

Morningstar Ratings in sales communications

Each of the Funds will rely on an exemption from paragraphs 15.3(4)(c) of NI 81-102 to permit the Funds to reference Morningstar Star ratings in sales communications without requiring the Fund to publish a rating that corresponds to the “since inception” period of standard performance data and to publish the Morningstar Overall Rating in sales communication alongside Morningstar Star Ratings that correspond to the one, three, five and 10-year periods, as applicable, for which standard performance data is required to be provided. This exemption is subject to conditions requiring specified disclosure and the requirement that the Morningstar Overall Rating is to the most recent calendar month end that is not more than 45 days before the date of the sales communication and not more than three months before the date of first publication of the sales communication.

Certificate of the Funds, Manager and Promoter

Capital Group Global Equity Select ETF™ (Canada)

Capital Group International Equity Select ETF™
(Canada)

Capital Group World Bond Select ETF™ (Canada)

Capital Group Multi Sector Income Select ETF™
(Canada)

(collectively, the "Funds")

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of all of the provinces and territories of Canada and do not contain any misrepresentations.

July 15, 2024

"Rick Headrick"

Rick Headrick
Acting Chief Executive Officer for the purposes
of this Certificate
President
Capital International Asset
Management (Canada), Inc.

"Adam Phillips"

Adam Phillips
Chief Financial Officer
Capital International Asset
Management (Canada), Inc.

ON BEHALF OF THE BOARD OF DIRECTORS OF
CAPITAL INTERNATIONAL ASSET MANAGEMENT (CANADA), INC. IN ITS CAPACITY AS
TRUSTEE, MANAGER AND PROMOTER OF THE FUNDS

"Jeremy H. Burge"

Jeremy H. Burge
Director

"Poonam Thadani"

Poonam Thadani
Vice President, Chief Compliance Officer,
Director
Capital International Asset Management
(Canada), Inc.

Specific information about each of the mutual funds described in this document

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

A mutual fund is 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 generally in proportion to the units they own. Where a mutual fund issues more than one series, unitholders share in the mutual fund's income, expenses and the gains and losses allocated to the unitholders' series generally in proportion to the units of the series they own. Exchange traded funds ("ETFs") are mutual funds which are traded on an exchange.

A mutual fund may own different types of investments – such as stocks (or equity securities), bonds (or fixed-income securities), or cash – depending upon the fund's investment objective. Certain funds may also invest in units of other mutual funds. 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.

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

One of the greatest risks to you as an investor is that you could lose all or part of your investment. **Your investment in a mutual fund is not guaranteed. You should not expect that any group will provide financial support to a mutual fund at any time, including during periods of market stress.** There are different degrees and types of risks but, in general, the more risk you are willing to accept as an investor, the higher the potential returns and the greater the potential loss. The following general risk factors that apply to mutual funds are listed in alphabetical order.

Fluctuation

The NAV per unit of a mutual fund (the price of one unit of the mutual fund) will fluctuate with changes in the market value of the fund's particular investments. As a result, the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Redemptions may be suspended

Under exceptional circumstances, a mutual fund may not allow you to redeem your units. See *Suspension of Redemptions* on page 27 for details.

Your investment is not guaranteed

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

Your investment may be subject to inflation or deflation

Inflation risk is the risk that the present value of assets or income from your investment will be less in the future as inflation decreases the value of money. As inflation increases, the present value of a mutual fund's assets can decline. Deflation risk is the risk that prices throughout the economy decline over time. Deflation or inflation may have an adverse effect on the creditworthiness of issuers and make issuer default more likely resulting in a decline in the value of a mutual fund's assets.

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

In addition to the general risks of mutual fund investing, each mutual fund carries specific risks depending on its particular investment objective and strategies. In the description of each Fund, you will see what those risks are. As certain of the Funds may invest in underlying funds, each such Fund takes on the risks of an underlying fund in proportion to its investment in such underlying fund. Accordingly, any reference to a Fund or Funds in this section is intended to include investments by a Fund in the underlying funds. The following specific risk factors that may be applicable to the Funds are listed in alphabetical order.

Absence of a public market for the Units and lack of operating history risk

The Manager, on behalf of the CIAM ETFs, has applied to list the Units of the CIAM ETFs on the Designated Exchange. Listing is subject to the approval of the Designated Exchange in accordance with its original listing requirements. The Designated Exchange has not conditionally approved the Manager's listing application and there is no assurance that the Designated Exchange will approve the listing application or that an active public market for such Units will develop or be sustained.

Cease trading of units risk

If constituent securities are cease traded at any time by order of a Canadian securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units of the applicable Fund until such time as the transfer of the securities is permitted as described under "*Suspension of Redemptions*". As a result, each Fund that holds securities traded on an exchange or other organized market bears the risk of cease trading orders against any constituent security held by that Fund.

Concentration risk

A Fund may concentrate its investments by investing in a relatively few issuers. A Fund may also hold more than 10% of its net assets in securities of a single issuer or in an underlying fund.

A relatively high concentration of a Fund's investment in, or exposure to, a single issuer or a small number of issuers, may reduce the diversification of the Fund and may result in increased volatility in the Fund's NAV. This may also result in a decrease in the liquidity of the Fund's portfolio if there is a shortage of buyers willing to purchase those securities.

A relatively high concentration of a Fund's investment in, or exposure to, a single issuer or a small number of issuers, is also subject to credit risk. Please see *Credit risk* below for more details.

Credit risk

A Fund may invest in bonds and other debt securities which are subject to credit risk, which is the possibility that the credit strength of an issuer or guarantor will weaken or be perceived to be weaker and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Changes in actual or perceived creditworthiness may occur quickly. Borrowers that are in bankruptcy or restructuring may never pay off their indebtedness, or they may pay only a small fraction of the amount owed. Direct indebtedness of countries, particularly developing countries, also involves a risk that the governmental entities responsible for the repayment of the debt may be unable, or unwilling, to pay interest and repay principal when due. A downgrade or default affecting any of a Fund's securities could cause the value of the Fund's units to decrease. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities. Credit risk is gauged, in part, by the credit ratings of the debt securities in which a Fund invests. However, ratings are only the opinions of the rating agencies issuing them and are not guarantees as to credit quality or an evaluation of market risk. The Funds' derivatives portfolio advisor or investment subadvisor relies on its own credit analysts to research issuers and issues in assessing credit and default risks.

Lower rated bonds and other lower rated debt securities generally have higher rates of interest and involve greater risk of default or price declines due to changes in the issuer's creditworthiness than those of higher quality debt securities. The market prices and liquidity of these securities may fluctuate more than the prices and liquidity of higher quality debt securities and may decline significantly in periods of general economic difficulty. These risks may be increased with respect to investments in junk bonds (rated Ba1 or below or BB+ or below by Statistical Rating Organizations recognized by the United States Securities and Exchange Commission, designated by the Fund's investment subadvisor, or unrated but determined to be of equivalent quality by the investment subadvisor).

Currency risk

The investments of each Fund managed by the Manager are valued in Canadian dollars. When a Fund buys foreign securities, however, they are purchased with foreign currency. As well, some of the Funds may purchase or obtain exposure to foreign currencies as investments. An unfavourable move in a currency exchange rate may reduce, or even eliminate, any return on an investment purchased with foreign currency. The opposite can also be true – the Fund can benefit from changes in exchange rates.

Sometimes certain foreign governments may restrict the ability to exchange currencies. A Fund's ability to make distributions or process redemptions assumes the continuing free exchange of the currencies in which the Fund is invested.

Some Funds that invest in securities issued in currencies other than the Canadian dollar may use the U.S. dollar as their operating currency instead of the Canadian dollar to help to reduce currency transactions associated with the Fund's investment activities in these securities or to facilitate the trades in these securities. The cash received by the Fund, including the Canadian dollars received from purchases and the proceeds of settled trades, is converted into U.S. dollars every day. Conversely, U.S. dollars are converted back into Canadian dollars to fund redemptions. While there are benefits to a Fund that uses the U.S. dollar as its operating currency, it is possible that currency conversion costs incurred by the Fund exceed these benefits.

Certain Funds may enter into agreements, known as forward currency contracts, to purchase or sell a specific currency at a future date at predetermined rates. Such Funds may enter into forward currency contracts to seek to protect against changes in currency exchange rates, to increase exposure to a particular foreign currency, to shift exposure to currency fluctuations from one currency to another, or to seek to increase returns. Certain Funds may employ a currency hedging overlay strategy for certain series specifically designed to mitigate the risk of currency fluctuations. The use of forward currency contracts poses the risks set out under *Derivative risk* below.

Cybersecurity risk

With the increased use of technologies such as the internet to conduct business, the Manager and each Fund has become potentially more susceptible to operational and information security risks through breaches in cybersecurity. In general, a breach in cybersecurity can result from either a deliberate attack or an unintentional event. Cybersecurity breaches may involve, among other things, infection by "ransomware" attacks, injection of computer viruses or malicious software code or the use of vulnerabilities in code to gain unauthorized access to digital information systems, networks or devices that are used directly or indirectly by the Fund, the Manager or its service providers through "hacking" or other means. Cybersecurity risks also include the risk of losses of service resulting from external attacks that do not require unauthorized access to the Manager's or a Fund's systems, networks or devices. For example, denial-of-service attacks on the Manager's or an affiliate's website could effectively render a Fund's network services unavailable to the Fund's unitholders and other intended end-users. Any

such cybersecurity breaches or losses of service may, among other things, cause the Manager or a Fund to lose proprietary information, suffer data corruption or lose operational capacity or may result in the misappropriation, unauthorized release or other misuse of a Fund's asset or sensitive information (including unitholder personal information or other confidential information), the inability of a Fund's unitholder to transact business, or the destruction of the Manager's or a Fund's physical infrastructure, equipment or operating systems. These, in turn, could cause the Manager or the Funds to violate applicable privacy and other laws and incur or suffer regulatory penalties, reputational damage, additional costs (including compliance costs) associated with corrective measures and/or financial loss. While the Funds and the Manager have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever-changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for.

In addition, cybersecurity failures by or breaches of the Manager's or the Funds' third-party service providers (including, but not limited to, a Fund's derivatives portfolio advisor, investment subadvisor, transfer agent, custodian, administrators and other financial intermediaries) may disrupt the business operations of the service providers and of the Manager or the Fund, potentially resulting in financial losses, the inability of a Fund's unitholders to transact business with the Fund, the inability of a Fund to process transactions, the inability of a Fund to calculate its NAV, violations of applicable privacy and other laws, rules and regulations, regulatory fines, penalties, reputational damage, reimbursement or other compensatory costs and/or additional compliance costs associated with implementation of any corrective measures. A Fund and its unitholders could be negatively impacted as a result of any such cybersecurity breaches, and a Fund may suffer losses relating to cybersecurity attacks or other informational security breaches affecting the Manager's or the Fund's third-party service providers in the future, particularly as the Manager and the Fund cannot control any cybersecurity plans or systems implemented by such service providers.

Cybersecurity risks may also impact issuers of securities in which a Fund invests, which may cause the Fund's investments in such issuers to lose value.

Depository receipts risk

Depository receipts are securities that evidence ownership interests in, and represent the right to receive, a security or a pool of securities that have been deposited with a bank or trust depository. The Funds may invest in American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Global Depositary Receipts ("GDRs"), and other similar securities. For ADRs, the depository is typically a U.S. financial institution and the underlying securities are issued by a non-U.S. entity. For EDRs, the depository is a European bank and the underlying securities are issued by a non-EU entity. For GDR, the depository receipt is issued by a bank in more than one country for securities in a foreign company. Depository receipts will not necessarily be denominated in the same currency as their underlying securities. Generally, ADRs are issued in registered form, denominated in U.S. dollars, and designed for use in the U.S.

securities markets. Other depositary receipts, such as EDRs and GDRs, may be issued in bearer form, may be denominated in any currency, and are primarily designed for use in securities markets outside Canada. ADRs, EDRs and GDRs can be sponsored by the issuing bank or trust company or the issuer of the underlying securities. Although the issuing bank or trust company may impose charges for the collection of dividends and the conversion of such securities into the underlying securities, generally no fees are imposed on the purchase or sale of these securities other than transaction fees ordinarily involved with trading stock. Such securities may be less liquid or may trade at a lower price than the underlying securities of the issuer. Additionally, the issuers of securities underlying depositary receipts may not be obligated to timely disclose information that is considered material under the Canadian securities laws and regulations. Therefore, less information may be available regarding these issuers than about the issuers of other securities and there may not be a correlation between such information and the market value of the depositary receipts.

Derivative risk

A Fund may invest in approved derivative instruments. A derivative is a financial instrument, the value of which depends on, or is otherwise derived from, another underlying variable. Derivative instruments may be distinguished by the manner in which they trade: some are standardized instruments that trade on an organized exchange while others are individually negotiated and traded in the over-the-counter (OTC) market. The use of derivatives involves a variety of risks, which may be different from, or potentially greater than, the risks associated with investing in traditional cash securities, such as stocks and bonds.

Derivative instruments are generally subject to counterparty credit risk; however, in some cases, derivatives may pose counterparty risks greater than those posed by cash securities. The use of derivatives involves the risk that a loss may be sustained by a Fund as a result of the failure of the Fund's counterparty to make required payments or otherwise to comply with its contractual obligations. For some derivatives, though, the value of — and, in effect, the return on — the instrument may be dependent on both the individual credit of a Fund's counterparty and on the credit of one or more issuers of any underlying assets. If a Fund does not correctly evaluate the creditworthiness of its counterparty and, where applicable, of issuers of any underlying reference assets, the Fund's investment in a derivative instrument may result in losses. Further, if a Fund's counterparty were to default on its obligations, the Fund's contractual remedies against such counterparty may be subject to applicable bankruptcy and insolvency laws, which could affect the Fund's rights as a creditor and delay or impede the Fund's ability to receive the net amount of payments that it is contractually entitled to receive. A Fund will adhere to restrictions intended to mitigate these risks by entering into certain derivative instruments with counterparties that meet specified rating requirements under applicable securities legislation. Certain derivatives may also be subject to liquidity and valuation risks. The potential lack of a liquid secondary market for a derivative (and, particularly, for an OTC derivative) may cause difficulty in valuing or selling the instrument. If a derivative transaction is particularly large or if the relevant market is illiquid, as is often the case with many privately negotiated OTC derivatives, a Fund may not be able to initiate a transaction or to liquidate a position at an advantageous time or price. A Fund

complies with regulatory limits on illiquid assets which helps to partially limit this risk. Particularly when there is no liquid secondary market for a Fund's derivative positions, the Fund may encounter difficulty in valuing such illiquid positions. The value of a derivative instrument does not always correlate perfectly with its underlying asset, rate or index, and many derivatives, and OTC derivatives in particular, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund.

Changes in the value of a derivative may not correlate perfectly with, and may be more sensitive to market events than, the underlying asset, rate or index, and a derivative instrument may expose a Fund to losses significantly in excess of its initial investment. Certain derivatives transactions may be collateralized and additional cash or securities may be held for these purposes. Because a Fund is legally required to hold liquid assets to cover its obligations under certain derivative instruments, the Fund's investments in such derivatives may also require the Fund to buy or sell portfolio securities at disadvantageous times or prices in order to comply with these requirements. Some examples of risks that a Fund may be subject to if it uses specific derivatives include, but are not limited to:

Swaps: Swaps, including interest rate swaps, total return swaps and credit default swap indices ("CDSIs"), including, but not limited to, CDX and iTraxx indices, are subject to many of the risks generally associated with investing in derivative instruments. Additionally, although swaps require no or only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a swap contract could greatly exceed the initial amount invested. The use of swaps involves the risk that the investment subadvisor will not accurately predict anticipated changes in interest rates or other economic factors, which may result in losses to a Fund. To the extent a Fund enters into a bilaterally negotiated swap transaction, the Fund will enter into swap agreements only with counterparties that meet certain credit standards; however, if the counterparty's creditworthiness deteriorates rapidly and the counterparty defaults on its obligations under the swap agreement or declares bankruptcy, the Fund may lose any amount it expected to receive from the counterparty. Certain swap transactions are subject to mandatory central clearing or may be eligible for voluntary central clearing. Because clearing interposes a central clearinghouse as the ultimate counterparty to each participant's swap, central clearing is intended to decrease (but not eliminate) counterparty risk relative to uncleared bilateral swaps. Additionally, the term of an interest rate swap can be days, months or years and certain swaps may be less liquid than others. Some swaps, such as CDSIs, may be dependent on both the individual credit of a Fund's counterparty and on the credit of one or more issuers of any underlying assets. If a Fund does not correctly evaluate the creditworthiness of its counterparty and, where applicable, of issuers of any underlying reference assets, the Fund's investment in a swap may result in losses to the Fund.

Futures and options on futures: A Fund may enter into futures contracts and options on futures contracts to seek to manage the Fund's interest rate sensitivity by increasing or decreasing the duration of the Fund or a portion of the Fund's portfolio. A futures contract is an agreement to buy or sell a security or other financial instrument for a set price on a future date. An option on a futures contract gives the holder of the option the right to buy or sell a position in a futures

contract from or to the writer of the option, at a specified price on or before the specified expiration date. Futures contracts and options on futures contracts are standardized exchange-traded agreements, and, when such contracts are bought or sold, a Fund will incur brokerage fees and will be required to maintain margin deposits. In addition to the risks generally associated with investing in derivative instruments, futures contracts are subject to the creditworthiness of the clearing organizations, exchanges and futures commission merchants (FCM) with which a Fund transacts. In the event of the bankruptcy or insolvency of a FCM that holds margin on behalf of a Fund, the Fund may be entitled to return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Fund. An event of bankruptcy or insolvency at a clearinghouse or exchange holding initial margin could also result in losses for a Fund. Additionally, although futures require only a small initial investment in the form of a deposit of initial margin, the amount of a potential loss on a futures contract could greatly exceed the initial amount invested. A Fund is also required to deposit and maintain margin with an FCM with respect to put and call options on futures contracts written by the Fund. Such margin deposits will vary depending on the nature of the underlying futures contract (and related initial margin requirements), the current market value of the option, and other futures positions held by the Fund. While futures contracts are generally liquid instruments, under certain market conditions futures may be deemed to be illiquid. For example, a Fund may be temporarily prohibited from closing out its position in a futures contract if intraday price change limits or limits on trading volume imposed by the applicable futures exchange are triggered. If a Fund is unable to close out a position on a futures contract, the Fund would remain subject to the risk of adverse price movements until the Fund is able to close out the futures position. Although certain futures contracts, by their terms, require actual future delivery of and payment for the reference asset, in practice, most futures contracts are usually closed out before the delivery date by offsetting purchases or sales of matching futures contracts. Closing out an open futures contract purchase or sale is effected by entering into an offsetting futures contract sale or purchase, respectively, for the same aggregate amount of the identical reference asset and the same delivery date with the same FCM. If the offsetting purchase price is less than the original sale price (in each case taking into account transaction costs, including brokerage fees), a Fund realizes a gain; if it is more, the Fund realizes a loss. The ability of a Fund to successfully utilize futures contracts may depend in part upon the ability of the derivatives portfolio advisor to accurately forecast interest rates and other economic factors and to assess and predict the impact of such economic factors on the futures in which the Fund invests. If the derivatives portfolio advisor incorrectly forecasts economic developments or incorrectly predicts the impact of such developments on the futures in which it invests, the Fund could be exposed to the risk of loss.

Currency transactions/Forwards: A forward currency contract is an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a predetermined rate. A Fund may enter into currency transactions and may purchase and sell options on currencies to protect against changes in currency exchange rates, to increase exposure to a particular foreign currency, to shift exposure to currency fluctuations from one currency to another or to seek to increase returns. In addition to the risks generally associated with investing in derivative instruments, the use of forward

currency contracts involves the risk that currency movements will not be accurately predicted by the investment subadvisor, which could result in losses to a Fund. While entering into forward currency contracts could minimize the risk of loss due to a decline in the value of the hedged currency, it could also limit any potential gain that may result from an increase in the value of the currency. Additionally, forward currency contracts may be used to seek to increase total return, to increase exposure to a certain currency or to shift exposure to currency fluctuations from one currency to another. Forward currency contracts may expose a Fund to potential gains and losses significantly in excess of the initial amount invested.

For example, if the investment subadvisor of a Fund increases its exposure to a foreign currency using forward contracts and that foreign currency's value declines, the Fund may incur a loss.

A Fund may also purchase or write put and call options on foreign currencies on exchanges or in the OTC market. A put option on a foreign currency gives the purchaser of the option the right to sell a foreign currency at the exercise price until the option expires. A call option on a foreign currency gives the purchaser of the option the right to purchase the currency at the exercise price until the option expires. Currency options, to the extent not exercised, will expire and a Fund, as the purchaser, would experience a loss to the extent of the premium paid for the option. Instead of purchasing a call option to hedge against an anticipated increase in the dollar cost of securities to be acquired, the Fund could write a put option on the relevant currency, which, if exchange rates move in the manner projected, will expire unexercised and allow the Fund to hedge such increased cost up to the amount of the premium. As in the case of other types of options, however, writing a currency option will provide a hedge only up to the amount of the premium, and only if exchange rates move in the expected direction. If this does not occur, the option may be exercised and the Fund would be required to purchase or sell the underlying currency at a loss that may not be offset by the amount of the premium. Through the writing of options on foreign currencies, a Fund also may be required to forego all or a portion of the benefit that might otherwise have been obtained from favorable movements in exchange rates. OTC options are bilateral contracts that are individually negotiated and they are generally less liquid than exchange-traded options. Although this type of arrangement allows the purchaser or writer greater flexibility to tailor an option to its needs, OTC options generally involve credit risk to the counterparty, whereas for exchange-traded options, credit risk is mutualized through the involvement of the applicable clearing house. Currency options traded on exchanges may be subject to position limits, which may limit the ability of a Fund to reduce currency risk using such options. To the extent that certain options markets are closed while the markets for the underlying currencies remain open, substantial price and rate movements may take place in the currency markets that cannot be reflected in the options markets.

Warrants and rights: Warrants and rights may be acquired by a Fund in connection with other securities or separately. Warrants generally entitle, but do not obligate, their holder to purchase other equity or fixed-income securities at a specified price at a later date. Rights are similar to warrants but typically have a shorter duration and are issued by a company to existing holders of its stock to provide those holders the right to purchase additional shares of stock at a later date. Warrants and rights do not carry with them the right to dividends or voting rights with respect to

the securities that they entitle their holder to purchase, and they do not represent any rights in the assets of the issuing company. Additionally, a warrant or right ceases to have value if it is not exercised prior to its expiration date. As a result, warrants and rights may be considered more speculative than certain other types of investments. Changes in the value of a warrant or right do not necessarily correspond to changes in the value of its underlying security. The price of a warrant or right may be more volatile than the price of its underlying security, and they therefore present greater potential for capital appreciation and capital loss. The effective price paid for warrants or rights added to the subscription price of the related security may exceed the value of the subscribed security's market price, such as when there is no movement in the price of the underlying security. The market for warrants or rights may be very limited and it may be difficult to sell them promptly at an acceptable price.

Derivatives portfolio advisor and/or subadvisor risk

The derivatives portfolio advisor or investment subadvisor to each Fund actively manages the Fund's investments. Investments in the Funds are subject to risks related to the derivatives portfolio advisor or investment subadvisor's investment choices. A Fund is also subject to the risk that methods and analyses, including models, tools and data, employed by the derivatives portfolio advisor or investment subadvisor in the process may be flawed or incorrect and may not produce the desired results. This could cause the Fund to lose value or its investment results to lag relevant benchmarks or other funds with similar objectives.

Designated Broker / Dealer risk

Only Designated Brokers and Dealers may engage in creation or redemption transactions directly with the Fund. A Fund has a limited number of institutions that may act as Designated Broker or Dealer. If Designated Brokers or Dealers exit the business or are unable to or elect not to engage in creation or redemption transactions, and no other Designated Broker or Dealer engages in such function, Units may trade at a premium or discount to NAV and/or at wider intraday bid-ask spreads and possibly face trading halts or delisting.

If a purchasing Designated Broker or Dealer is unable to meet its settlement obligations, the resulting costs and losses will be borne by the Fund.

Emerging markets or developing countries risk

Investing in emerging markets may involve risks in addition to and greater than those generally associated with investing in the securities markets of developed countries. For instance, emerging market countries tend to have less developed political, economic and legal systems than those in developed countries. Accordingly, the governments of these countries may be less stable and more likely to intervene in the market economy, for example, by imposing capital controls, nationalizing a company or industry, placing restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or imposing punitive taxes that could adversely affect the prices of securities. Information regarding issuers in emerging markets may be limited, incomplete or inaccurate, and such issuers may not be subject to regulatory,

accounting, auditing, and financial reporting and recordkeeping standards comparable to those to which issuers in more developed markets are subject. A Fund's rights with respect to its investments in emerging markets, if any, will generally be governed by local law, which may make it difficult or impossible for the Fund to pursue legal remedies or to obtain and enforce judgments in local courts. In addition, the economies of these countries may be dependent on relatively few industries and may be more susceptible to changes in local and global trade conditions and downturns in the world economy. Securities markets in these countries can also be relatively small and have substantially lower trading volumes. As a result, securities issued in these countries may be more volatile and less liquid, more vulnerable to market manipulation, and more difficult to value, than securities issued in countries with more developed economies and/or markets. Less certainty with respect to security valuations may lead to additional challenges and risks in calculating the Fund's net asset value. Additionally, emerging markets are more likely to experience problems with the clearing and settling of trades and the holding of securities by banks, agents and depositories that are less established than those in developed countries.

In countries where direct foreign investment is limited or prohibited, a Fund may invest in operating companies based in such countries through an offshore intermediary entity that, based on contractual agreements, seeks to replicate the rights and obligations of direct equity ownership in such operating company. Because the contractual arrangements do not in fact bestow a Fund with actual equity ownership in the operating company, these investment structures may limit the Fund's rights as an investor and create significant additional risks. For example, local government authorities may determine that such structures do not comply with applicable laws and regulations, including those relating to restrictions on foreign ownership. In such event, the intermediary entity and/or the operating company may be subject to penalties, revocation of business and operating licenses or forfeiture of foreign ownership interests, and a Fund's economic interests in the underlying operating company and its rights as an investor may not be recognized, resulting in a loss to the Fund and its unitholders. In addition, exerting control through contractual arrangements may be less effective than direct equity ownership, and a company may incur substantial costs to enforce the terms of such arrangements, including those relating to the distribution of the funds among the entities. These special investment structures may also be disregarded for tax purposes by local tax authorities, resulting in increased tax liabilities, and a Fund's control over – and distributions due from – such structures may be jeopardized if the individuals who hold the equity interest in such structures breach the terms of the agreements. While these structures may be widely used to circumvent limits on foreign ownership in certain jurisdictions, there is no assurance that they will be upheld by local regulatory authorities or that disputes regarding the same will be resolved consistently.

Although there is no universally accepted definition, the investment subadvisor generally considers an emerging market to be a market that is in the earlier stages of its industrialization cycle with a low per capita gross domestic product ("GDP") and a low market capitalization to GDP ratio relative to those in the United States, Canada and the European Union and would include markets commonly referred to as "frontier markets."

Certain Funds may invest in China A-shares of certain Chinese companies listed and traded on the Shanghai Stock Exchange ("SSE") and on the Shenzhen Stock Exchange ("SZSE", and together, the "Exchanges") through the Shanghai-Hong Kong Stock Connect Program and the Shenzhen Hong Kong Stock Connect Program, respectively (together, "Stock Connect"). Stock Connect is a securities trading and clearing program developed by the Exchange of Hong Kong, the Exchanges and the China Securities Depository and Clearing Corporation Limited. Stock Connect facilitates foreign investment in the People's Republic of China ("PRC") via brokers in Hong Kong. Persons investing through Stock Connect are subject to PRC regulations and Exchange listing rules, among others. These could include limitations on or suspension of trading. These regulations are relatively new and subject to changes which could adversely impact a Fund's rights with respect to the securities. For example, a stock may be recalled from the scope of securities traded on SSE or SZSE eligible for trading via Stock Connect for various reasons, and in such event the stock can be sold but is restricted from being bought. In such event, the derivatives portfolio advisor's or investment subadvisor's ability to implement a Fund's investment strategies may be adversely affected. As Stock Connect is relatively new, investments made through Stock Connect are subject to relatively new trading, clearance and settlement procedures and there are no assurances that the necessary systems to run the program will function properly. In addition, Stock Connect is subject to aggregate and daily quota limitations on purchases and permitted price fluctuations. As a result, a Fund may experience delays in transacting via Stock Connect and there can be no assurance that a liquid market on the Exchanges will exist. Since Stock Connect only operates on days when both the Chinese and Hong Kong markets are open for trading, and banking services are available in both markets on the corresponding settlement days, a Fund's ownership interest in securities traded through Stock Connect may not be reflected directly and the Fund may be subject to the risk of price fluctuations in China A-shares when Stock Connect is not open to trading. Changes in Chinese tax rules may also adversely affect a Fund's performance. Please also see *Foreign investment risk* on page 59 for more details.

Certain Funds may invest in onshore China bonds via Bond Connect, the opening up of China's Interbank Bond Market (CIBM) to global investors through the China-Hong Kong Mutual Access Program. The program allows foreign and Mainland China investors the ability to trade in each other's bond market through a connection between the Mainland and Hong Kong based financial infrastructure institutions. Bond Connect aims to enhance the efficiency and flexibility of investing in CIBM. This is accomplished by easing the access requirements to enter the market, the use of the Hong Kong trading infrastructure to connect to China Foreign Exchange Trading System (CFETS) and Bond Settlement Agent, all which are required to invest in CIBM directly. Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The bid and offer spreads of the prices of such securities may be large, and a Fund may therefore incur significant trading, settlement and realization costs and may face counterparty default, liquidity, and volatility risks, resulting in significant losses for the Fund and its investors. Bond Connect is a novel concept and, as such, the current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance

that Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under Bond Connect. A Fund may be adversely affected as a result of such changes.

Equity risk

Equity securities represent an ownership position in a company. Equity securities held by a Fund typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers and market, economic and other conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

Holders of equity securities are not creditors of the issuer. If an issuer liquidates, holders of equity securities are entitled to their pro rata share of the issuer's assets, if any, after creditors (including the holders of fixed income securities and senior equity securities) are paid. There may be little trading in the secondary market for particular equity securities, which may adversely affect a Fund's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

Exposure to country, region, industry or sector risk

Subject to a Fund's investment limitations, it may have significant exposure to a particular country, region, industry or sector. Such exposure may cause the Fund to be more impacted by risks relating to, and developments affecting, the country, region, industry or sector, and thus its NAV may be more volatile than a fund without such levels of exposure. For example, if a Fund has significant exposure in a particular country, then social, economic, regulatory or other issues that negatively affect that country may have a greater impact on the Fund than on a fund that is more geographically diversified.

Foreign investment risk

The Funds may invest in securities of issuers domiciled outside Canada, in securities of issuers with significant operations or revenues outside Canada, or securities tied economically to countries outside Canada. Such foreign securities may lose value because of adverse political, social, economic or market developments (including social instability, regional conflicts, terrorism and war) in the countries or regions in which the issuers are domiciled, operate or generate revenue or to which the securities are tied economically. These issuers may be more susceptible to actions of foreign governments such as the imposition of price controls, sanctions, or punitive taxes that could adversely impact the values of these securities. These securities may also lose value due to changes in foreign currency exchange rates against the Canadian dollar and/or currencies of other countries. Securities markets in certain countries may be more volatile or less liquid than those in Canada. Investments outside Canada may also be subject to different regulatory, legal, accounting, auditing, financial reporting and recordkeeping requirements, and

may be more difficult to value, than those in Canada. In addition, the value of investments outside Canada may be reduced by foreign taxes, including foreign withholding taxes on interest and dividends. Any foreign withholding taxes could reduce the Funds' distributions paid to you. Canada has entered into tax treaties with certain foreign countries that may entitle mutual funds to a reduced rate of withholding tax on such foreign income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as unitholder information); therefore, the Fund may not receive the reduced treaty rates or tax reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced treaty rates or tax reclaims. Further, there may be increased risks of delayed settlement of securities purchased or sold by a Fund, which could impact the liquidity of the Fund's portfolio. The risks of investing outside Canada may be heightened in connection with investments in emerging markets. Additional costs could be incurred in connection with the Funds' investment activities outside Canada. Brokerage commissions may be higher outside Canada, and the Funds will bear certain expenses in connection with their currency transactions. Furthermore, increased custodian costs may be associated with maintaining assets in certain jurisdictions.

Forward commitment and TBA transactions risk

Certain Funds may enter into commitments to purchase or sell securities at a future date. These transactions are sometimes referred to as forward commitment transactions. Sometimes in a forward commitment transaction, the particular securities to be delivered or received are not yet identified at the trade date but are "to be announced" at a later settlement date (sometimes referred to as TBA transactions). However, the securities to be delivered must meet specified criteria, such as face value, coupon rate and maturity, and must be within industry-accepted "good delivery" standards.

One type of investment strategy that uses a TBA transaction is a mortgage dollar roll where a Fund sells mortgage-backed securities for delivery in the current month and simultaneously contracts to repurchase substantially similar (same type, coupon, and maturity) securities on a specified future date, at a pre-determined price. During the period between the sale and repurchase (the "roll period"), the Fund forgoes principal and interest paid on the mortgage-backed securities. A Fund is compensated by the difference between the current sale price and the lower forward price for the future purchase (often referred to as the "drop"), if any, as well as by the interest earned on the cash proceeds of the initial sale. A Fund could suffer a loss if the contracting party fails to perform the future transaction and the Fund is therefore unable to buy back the mortgage-backed securities it initially sold. A Fund also takes the risk that the mortgage-backed securities that it repurchases at a later date will have less favourable market characteristics than the securities originally sold (e.g., greater prepayment risk). These transactions are accounted for as purchase and sale transactions, which increase a Fund's portfolio turnover rate.

When a Fund enters into these transactions, it assumes the risk of any decline in value of the security from the date of the agreement. If the other party to such a transaction fails to deliver or pay for the securities, the Fund could miss a favourable price or yield opportunity, or could experience a loss.

Fund-of-fund risk

If a Fund invests in one or more underlying funds (mutual funds or ETFs), the Fund will be exposed to the risks related to the securities in which the underlying funds invest. The Fund will take on the risks of an underlying fund in proportion to its investment in that underlying fund. The performance of the Fund and its ability to meet its objectives will be directly related to the underlying funds' performance and ability to meet their objectives. If an underlying fund suspends redemptions, the Fund will be unable to value part of its portfolio and may be unable to process redemption orders.

A Fund may invest in ETFs that seek to provide returns similar to a particular benchmark, such as a stock market index. These ETFs may not achieve the same return as their benchmark due to differences in the weighting of securities held in the ETF relative to the weightings in the actual benchmark, and due to the operating and administrative expenses of the ETF.

Generally, the investment subadvisor considers only proprietary funds when selecting underlying investment options and allocations. This means that the subadvisor generally does not, nor does it expect to, consider any unaffiliated funds as underlying investment options for a Fund. This strategy could raise certain conflicts of interest when choosing underlying funds, including the selection of underlying funds with relatively lower historical investment results. The investment subadvisor has policies and procedures designed to mitigate material conflicts of interest that may arise in connection with a Fund investing in proprietary underlying funds.

Growth-oriented security risk

The Funds may invest in growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds). These securities may involve larger price swings and greater potential for loss than other types of investments.

Income-oriented security risk

The value of a Fund's securities and income provided by a Fund may be reduced by changes in the dividend policies of the companies in which the Fund invests and the capital resources available for dividend payments at such companies.

Indirect exposure to cryptocurrencies risk

Cryptocurrencies are currencies which exist in a digital form and may act as a store of wealth, a medium of exchange or an investment asset. There are thousands of cryptocurrencies, such as bitcoin. Although the Funds have no current intention of directly investing in cryptocurrencies,

some issuers have begun to accept cryptocurrency for payment of services, use cryptocurrencies as reserve assets or invest in cryptocurrencies, and the Funds may invest in such issuers. The Funds may also invest in issuers which provide cryptocurrency-related services.

Cryptocurrencies are subject to fluctuations in value. Cryptocurrencies are not backed by any government, corporation, or other identified body. Rather, the value of a cryptocurrency is determined by other factors, such as the perceived future prospects or the supply and demand for such cryptocurrency in the global market for the trading of cryptocurrency. Such trading markets are unregulated and may be more exposed to operational or technical issues as well as fraud or manipulation in comparison to established, regulated exchanges for securities, derivatives and traditional currencies. The value of a cryptocurrency may decline precipitously (including to zero) for a variety of reasons, including, but not limited to, regulatory changes, a loss of confidence in its network or a change in user preference to other cryptocurrencies. An issuer that owns cryptocurrencies may experience custody issues, and may lose its cryptocurrency holdings through theft, hacking, and technical glitches in the applicable blockchain. A Fund may experience losses as a result of the decline in value of its securities of issuers that own cryptocurrencies or which provide cryptocurrency-related services. If an issuer that owns cryptocurrencies intends to pay a dividend using such holdings or to otherwise make a distribution of such holdings to its stockholders, such dividends or distributions may face regulatory, operational and technical issues.

Factors affecting the further development of cryptocurrency include, but are not limited to: continued worldwide growth of, or possible cessation of or reversal in, the adoption and use of cryptocurrencies and other digital assets; the developing regulatory environment relating to cryptocurrencies, including the characterization of cryptocurrencies as currencies, commodities, or securities, the tax treatment of cryptocurrencies, and government and quasi-government regulation or restrictions on, or regulation of access to and operation of, cryptocurrency networks and the exchanges on which cryptocurrencies trade, including anti-money laundering regulations and requirements; perceptions regarding the environmental impact of cryptocurrency; changes in consumer demographics and public preferences; general economic conditions; maintenance and development of open-source software protocols; the availability and popularity of other forms or methods of buying and selling goods and services; the use of the networks supporting digital assets, such as those for developing smart contracts and distributed applications; and general risks tied to the use of information technologies, including cyber risks. A hack or failure of one cryptocurrency may lead to a loss in confidence in, and thus decreased usage of and/or value of, other cryptocurrencies.

Inflation linked bonds risk

The Funds may invest in inflation linked bonds issued by governments, their agencies or instrumentalities and corporations. The principal amount of an inflation linked bond is adjusted in response to changes in the level of an inflation index. If the index measuring inflation falls, the principal value or coupon of these securities will be adjusted downward. Consequently, the interest payable on these securities will be reduced. Also, if the principal value of these securities

is adjusted according to the rate of inflation, the adjusted principal value repaid at maturity may be less than the original principal.

The value of inflation linked securities is expected to change in response to changes in real interest rates. Real interest rates, in turn, are tied to the relationship between nominal interest rates and the rate of inflation. If inflation were to rise at a faster rate than nominal interest rates, real interest rates would decline, leading to an increase in value of the inflation-linked securities. In contrast, if nominal interest rates were to increase at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation linked securities. There can be no assurance, however, that the value of inflation-linked securities will be directly correlated to the changes in interest rates. If interest rates rise due to reasons other than inflation, investors in these securities may not be protected to the extent that the increase is not reflected in the security's inflation measure.

The interest rate for inflation-linked bonds is fixed at issuance as a percentage of this adjustable principal. Accordingly, the actual interest income may both rise and fall as the principal and amount of the bonds adjusts in response to movements of the consumer price index. For example, typically interest income would rise during a period of inflation and fall during a period of deflation.

The market for inflation-linked securities may be less developed or liquid, and more volatile, than certain other securities markets. There is a limited number of inflation-linked securities currently available for the Funds to purchase, making the market less liquid and more volatile.

Interest rate risk

The Funds may invest in fixed-income securities, including bonds, treasury bills and commercial paper that pay a fixed rate of interest. The values and liquidity of the securities held by a Fund may be affected by factors such as the interest rates, maturities and credit ratings of these securities. For example, when interest rates rise, the value of an existing bond may fall because the interest rate on that bond is less than the market rate. Issuers are also less likely to refinance existing debt securities when interest rates rise, causing the average life of such securities to extend. Conversely, if interest rates fall, the value of an existing bond may rise. The short-term nature of a commercial paper investment makes it less susceptible to volatility than many other fixed income securities because interest rate risk typically increases as maturity lengths increase. Commercial paper tends to yield smaller returns than longer-term corporate debt because securities with shorter maturities typically have lower effective yields than those with longer maturities. This risk is heightened for fixed-income securities with longer maturities, as they generally have greater sensitivity to changes in interest rates and may be subject to greater price fluctuation than shorter maturity debt securities. In addition, a general rise in interest rates may cause investors to sell fixed-income securities on a large scale, which could also adversely affect the price and liquidity of the fixed-income securities and could also result in increased redemptions from the Fund. Falling interest rates may cause an issuer to redeem, call or refinance a fixed-income security before its stated maturity, which may result in a Fund failing to recoup the full amount of its initial investment and having to reinvest the proceeds in lower yielding

securities. Governments and quasi-governmental authorities may take actions to support local and global economies and financial markets during periods of economic crisis, including direct capital infusions into companies, new monetary programs and significantly lower interest rates. Such actions may expose fixed income markets to heightened volatility and may reduce liquidity for certain investments, which could cause the value of a Fund's portfolio to decline.

The Funds may invest in variable and floating rate securities and other instruments. When a Fund holds variable or floating rate securities, a decrease in market interest rates will adversely affect the income received from such securities and the NAV of the Fund's units. Although the values of such securities are generally less sensitive to interest rate changes than those of other debt securities, the value of variable and floating rate securities may decline if their interest rates do not rise as quickly, or as much, as market interest rates. Conversely, floating rate securities will not generally increase in value if interest rates decline. During periods of extremely low short-term interest rates, a Fund may not be able to maintain a positive yield.

If you are seeking current income, you should be aware that the level of interest income from a money market fund will fluctuate as short-term interest rates vary.

Issuer risk

The prices of, and the income generated by, securities held by a Fund may decline in response to various factors directly related to the issuers of such securities, including reduced demand for an issuer's goods or services, poor management performance, major litigation, investigations or other controversies related to the issuer, changes in financial condition or credit rating, changes in government regulations affecting the issuer or its competitive environment and strategic initiatives such as mergers, acquisitions or dispositions and the market response to such initiatives.

Legislation, regulatory and tax policy risk

Securities, tax, or other regulators make changes to rules and administrative practice with respect to applicable legislation. These changes may have an adverse impact on a Fund's investors and/or the value of a Fund or may impact the types of investors that are permitted to purchase certain Funds. A Fund may also be affected by changes in the tax legislation that affect the entities in which the Fund invests or changes in the taxation of the Fund.

Taxation of dividends, interest and capital gains received by a Fund vary among foreign countries and, in some cases, is comparatively high in certain developing countries. In addition, developing countries typically have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could become subject in the future to local tax liability that it had not reasonably anticipated in conducting its investment activities or valuing its assets.

Liquidity risk

Certain of the Funds' holdings may be or become difficult or impossible to sell, particularly during times of market turmoil. Liquidity may be impacted by the lack of an active market for a holding, legal or contractual restrictions on resale or the reduced number and capacity of market participants to make a market in such holding. Market prices for less liquid or illiquid holdings may be volatile, and reduced liquidity may have an adverse impact on the market price of such holdings. Additionally, the sale of less liquid or illiquid holdings may involve substantial delays (including delays in settlement) and additional costs and the Fund may be unable to sell such holdings when necessary to meet its liquidity needs or may be forced to sell at a loss.

There are statutory restrictions on the amount of illiquid securities that a Fund is permitted to hold.

Market risk

The Funds' investments in equity and/or fixed-income securities may be subject to market movements.

The value of, and the income generated by, the securities in which a Fund invests may decline, sometimes rapidly or unpredictably, due to various factors affecting certain issuers, particular industries or companies, or the overall markets. Rapid or unexpected changes in market conditions could cause the Fund to liquidate its holdings at inopportune times or at a loss or depressed value. The value of a particular holding may decrease due to developments related to that issuer, but also due to general market conditions, including real or perceived economic developments such as changes in interest rates, credit quality, inflation, or currency rates, or generally adverse investor sentiment. The value of a holding may also decline due to factors that negatively affect a particular industry or sector, such as labour shortages, increased production costs, or competitive conditions.

Global economies and financial markets are highly interconnected, and conditions and events in one country, region or financial market may adversely impact issuers in a different country, region or financial market. Furthermore, local, regional and global events such as war, acts of terrorism, social unrest, natural disasters, the spread of infectious illness or other public health threats, or bank failures could also adversely impact issuers, markets and economies, including in ways that cannot necessarily be foreseen. The Fund could be negatively impacted if the value of a portfolio holding were harmed by such conditions or events.

Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, bank failures or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social, and economic risks. Additionally, market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets

and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments and operation of the Fund. These events could disrupt businesses that are integral to the Fund's operations or impair the ability of employees of Fund service providers to perform essential tasks on behalf of the Fund. Governmental and quasi-governmental authorities may take a number of actions designed to support local and global economies and the financial markets in response to economic disruptions.

Such actions may include a variety of significant fiscal and monetary policy changes, including, for example, direct capital infusions into companies, new monetary programs and significantly lower interest rates. These actions may result in significant expansion of public debt and may result in greater market risk. Additionally, an unexpected or quick reversal of these policies, or the ineffectiveness of these policies, could negatively impact overall investor sentiment and further increase volatility in securities markets. As a result, whether or not the Funds invest in securities of issuers located in or with significant exposure to the countries affected, the value and liquidity of the Funds' investments may be negatively affected by developments in other countries and regions.

Mortgage-related and other asset-backed securities risk

Certain Funds may invest in mortgage-related securities, such as mortgage-backed securities, and other asset-backed securities, including debt obligations that represent interests in pools of mortgages or other income-bearing assets, such as residential mortgage loans, home equity loans, mortgages on commercial buildings, consumer loans and equipment leases.

These securities may be issued by U.S. government agencies and government-sponsored entities and by private entities. Please see *U.S. federal agency obligations risk* on page 74 for more details. Mortgage-backed securities issued by private entities are structured similarly to those issued by U.S. government agencies. However, these securities and the underlying mortgages are not guaranteed by any government agencies and the underlying mortgages are not subject to the same underwriting requirements. These securities generally are structured with one or more types of credit enhancements such as insurance or letters of credit issued by private companies.

Borrowers on the underlying mortgages are usually permitted to prepay their underlying mortgages. Prepayments can alter the effective maturity of these instruments. In addition, delinquencies, losses or defaults by borrowers can adversely affect the prices and volatility of these securities. Such delinquencies and losses can be exacerbated by declining or flattening housing and property values. This, along with other outside pressures, such as bankruptcies and financial difficulties experienced by mortgage loan originators, decreased investor demand for mortgage loans and mortgage-related securities and increased investor demand for yield, can adversely affect the value and liquidity of mortgage-backed securities.

While such securities are subject to the risks associated with investments in debt instruments generally (for example, credit, extension and interest rate risks), they are also subject to other risks. Mortgage-backed and other asset-backed securities are subject to changes in the payment

patterns of borrowers of the underlying debt, potentially increasing the volatility of the securities and the Fund's NAV. When interest rates fall, borrowers are more likely to refinance or prepay their debt before its stated maturity. This may result in a Fund having to reinvest the proceeds in lower yielding securities, effectively reducing the Fund's income. Conversely, if interest rates rise and borrowers repay their debt more slowly than expected, the time in which the mortgage-backed and other asset-backed securities are paid off could be extended, reducing a Fund's cash available for reinvestment in higher yielding securities. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations and the value of property that secures the mortgages may decline in value and be insufficient, upon foreclosure, to repay the associated loans. Investments in asset-backed securities are subject to similar risks, as well as additional risks associated with the assets underlying those securities.

Collateralized mortgage obligations ("CMOs"): CMOs are also backed by a pool of mortgages or mortgage loans, which are divided into two or more separate bond issues. CMOs issued by U.S. government agencies are backed by agency mortgages, while privately issued CMOs may be backed by either government agency mortgages or private mortgages. Payments of principal and interest are passed through to each bond issue at varying schedules resulting in bonds with different coupons, effective maturities and sensitivities to interest rates. Some CMOs may be structured in a way that when interest rates change, the impact of changing prepayment rates on the effective maturities of certain issues of these securities is magnified. CMOs may be less liquid or may exhibit greater price volatility than other types of mortgage or asset-backed securities.

Commercial mortgage-backed securities: These securities are backed by mortgages on commercial property, such as hotels, office buildings, retail stores, hospitals and other commercial buildings. These securities may have a lower prepayment uncertainty than other mortgage-related securities because commercial mortgage loans generally prohibit or impose penalties on prepayments of principal. In addition, commercial mortgage-related securities often are structured with some form of credit enhancement to protect against potential losses on the underlying mortgage loans. Many of the risks of investing in commercial mortgage-backed securities reflect the risks of investing in the real estate securing the underlying mortgage loans, including the effects of local and other economic conditions on real estate markets, the ability of tenants to make rental payments and the ability of a property to attract and retain tenants. Commercial mortgage-backed securities may be less liquid or exhibit greater price volatility than other types of mortgage or asset-backed securities and may be more difficult to value.

Asset-backed securities: These securities are backed by other assets such as credit card, automobile or consumer loan receivables, retail installment loans or participations in pools of leases. Credit support for these securities may be based on the underlying assets and/or provided through credit enhancements by a third party. The values of these securities are sensitive to changes in the credit quality of the underlying collateral, the credit strength of the credit enhancement, changes in interest rates and at times the financial condition of the issuer. Obligors of the underlying assets also may make prepayments that can change effective

maturities of the asset-backed securities. These securities may be less liquid and more difficult to value than other securities.

Collateralized bond obligations ("CBOs") and collateralized loan obligations ("CLOs"): A CBO is a trust typically backed by a diversified pool of fixed-income securities, which may include high risk, lower rated securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, senior secured loans, senior unsecured loans, and subordinate corporate loans, including lower rated loans. CBOs and CLOs may charge management fees and administrative expenses. For both CBOs and CLOs, the cash flows from the trust are split into two or more portions, called tranches, varying in risk and yield. The riskiest and highest yielding portion is the "equity" tranche which bears the bulk of any default by the bonds or loans in the trust and is constructed to protect the other, more senior tranches from default. Since they are partially protected from defaults, the more senior tranches typically have higher ratings and lower yields than the underlying securities in the trust and can be rated investment grade. Despite the protection from the equity tranche, the more senior tranches can still experience substantial losses due to actual defaults of the underlying assets, increased sensitivity to defaults due to impairment of the collateral or the more junior tranches, market anticipation of defaults, as well as potential general aversions to CBO or CLO securities as a class. Normally, these securities are privately offered and sold, and thus, are not registered under the securities laws. CBOs and CLOs may be less liquid, may exhibit greater price volatility and may be more difficult to value than other securities.

Municipal bonds risk

The Funds may invest in two principal classifications of U.S. municipal bonds, which are general obligation bonds and limited obligation or revenue bonds. General obligation bonds are secured by the issuer's pledge of its full faith and credit including, if available, its taxing power for the payment of principal and interest. Typically, the only security for a limited obligation or revenue bond is the net revenue derived from a particular facility or class of facilities financed thereby or, in some cases, from the proceeds of a special tax or other special revenues. Although the security behind these bonds varies widely, many provide additional security in the form of a debt service reserve fund which may also be used to make principal and interest payments on the issuer's obligations. In addition, some revenue obligations (as well as general obligations) are insured by a bond insurance company or backed by a letter of credit issued by a banking institution.

Revenue bonds also include, for example, pollution control, health care and housing bonds, which, although nominally issued by municipal authorities, are generally not secured by the taxing power of the municipality but by the revenues of the authority derived from payments by the private entity which owns or operates the facility financed with the proceeds of the bonds. Obligations of housing finance authorities have a wide range of security features, including reserve funds and insured or subsidized mortgages, as well as the net revenues from housing or other public projects. Many of these bonds do not generally constitute the pledge of the credit of the issuer of such bonds. The credit quality of such revenue bonds is usually directly related to the credit standing of the user of the facility being financed or of an institution which provides a

guarantee, letter of credit or other credit enhancement for the bond issue. Please see *Credit risk* on page 49.

Real estate investment trusts risk

The Funds may invest in real estate investment trusts ("REITs"), which primarily invest in real estate or real estate-related loans and may issue equity or debt securities. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. The values of REITs may be affected by changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws and regulatory requirements, such as those relating to the environment. Both types of REITs are dependent upon management skill and the cash flows generated by their holdings, the real estate market in general and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exemptive status afforded under relevant laws.

Securities lending, repurchase and reverse repurchase transactions risk

The Funds may enter into securities lending, repurchase transactions and reverse repurchase transactions. Securities lending consists of a loan by a Fund of a security to a party in return for a fee. The Fund can demand the return of the security at any time. In a repurchase transaction, a Fund sells a security to a party for cash and agrees to buy the same security back from the same party at a specified price for cash. In a reverse repurchase transaction, a Fund buys a security at one price from a party and agrees to sell the same security back to the same party at a specified higher price later on.

The risk of these types of transactions is that the other party may default under the agreement or go bankrupt. In the case of a repurchase transaction or securities lending, a Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held. A Fund could incur a loss on a reverse repurchase transaction if the other party defaults and the security purchased has decreased in value.

A Fund may lend portfolio securities to brokers, dealers or other institutions that provide cash or U.S. Treasury securities as collateral in an amount required under applicable securities laws based on the value of the securities loaned. While portfolio securities are on loan, the Fund will continue to receive the equivalent of the interest and the dividends or other distributions paid by the issuer on the securities, as well as a portion of the interest on the investment of the collateral. Additionally, although a Fund will not have the right to vote on securities while they are on loan, the Fund has a right to consent on corporate actions and a right to recall each loan to vote on proposals, including proposals involving material events affecting securities loaned.

Securities lending involves risks, including the risk that the loaned securities may not be returned in a timely manner or at all, which would interfere with a Fund's ability to vote proxies or settle transactions, and/or risk of a counterparty default. Additionally, a Fund may lose money from the

reinvestment of collateral received on loaned securities in investments that decline in value, default or do not perform as expected.

To the extent a Fund were to enter into these transactions, the other party would be required to deliver cash, put up collateral or deliver securities, depending on the transaction, in order to reduce the risk. Repurchase transactions and securities lending are limited to 50% of a Fund's NAV. Collateral held by a Fund for loaned securities and cash paid for received securities would not be included when making this calculation.

Securities with equity and debt characteristics risk

The Funds may invest in certain securities which have a combination of equity and debt characteristics. Such securities may at times behave more like equity than debt or vice versa.

Preferred stock: Preferred stock represents an equity interest in an issuer that generally entitles the holder to receive, in preference to common stockholders and the holders of certain other stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the issuer. Preferred stocks may pay fixed or adjustable rates of return, and preferred stock dividends may be cumulative or non-cumulative and participating or non-participating. Cumulative dividend provisions require all or a portion of prior unpaid dividends to be paid before dividends can be paid to the issuer's common stockholders, while prior unpaid dividends on non-cumulative preferred stock are forfeited. Participating preferred stock may be entitled to a dividend exceeding the issuer's declared dividend in certain cases, while non-participating preferred stock is entitled only to the stipulated dividend. Preferred stock is subject to issuer-specific and market risks applicable generally to equity securities. As with debt securities, the prices and yields of preferred stocks often move with changes in interest rates and the issuer's credit quality. Additionally, a company's preferred stock typically pays dividends only after the company makes required payments to holders of its bonds and other debt. Accordingly, the price of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the issuing company's financial condition or prospects. Preferred stock of smaller companies may be more vulnerable to adverse developments than preferred stock of larger companies.

Convertible securities: A convertible security is a debt obligation, preferred stock or other security that may be converted, within a specified period of time and at a stated conversion rate, into common stock or other equity securities of the same or a different issuer. The conversion may occur automatically upon the occurrence of a predetermined event or at the option of either the issuer or the security holder. Under certain circumstances, a convertible security may also be called for redemption or conversion by the issuer after a particular date and at a predetermined price specified upon issue. If a convertible security held by a Fund is called for redemption or conversion, the Fund could be required to tender the security for redemption, convert it into the underlying common stock or sell it to a third party.

The holder of a convertible security is generally entitled to participate in the capital appreciation resulting from a market price increase in the issuer's common stock and to receive interest paid or accrued until the convertible security matures or is redeemed, converted or exchanged. Before

conversion, convertible securities have characteristics similar to non-convertible debt or preferred securities, as applicable. Convertible securities rank senior to common stock in an issuer's capital structure and, therefore, normally entail less risk than the issuer's common stock. However, convertible securities may also be subordinate to any senior debt obligations of the issuer, and, therefore, an issuer's convertible securities may entail more risk than such senior debt obligations. Convertible securities usually offer lower interest or dividend yields than nonconvertible debt securities of similar credit quality because of the potential for capital appreciation. In addition, convertible securities are often lower-rated securities.

Because of the conversion feature, the price of a convertible security will normally fluctuate in some proportion to changes in the price of the underlying asset, and, accordingly, convertible securities are subject to risks relating to the activities of the issuer and/or general market and economic conditions. The income component of a convertible security may cushion the security against declines in the price of the underlying asset but may also cause the price of the security to fluctuate based upon changes in interest rates and the credit quality of the issuer. As with a straight fixed-income security, the price of a convertible security tends to increase when interest rates decline and decrease when interest rates rise. Like the price of a common stock, the price of a convertible security also tends to increase as the price of the underlying stock rises and to decrease as the price of the underlying stock declines.

Hybrid securities: A hybrid security is a type of security that also has equity and debt characteristics. Like equities, which have no final maturity, a hybrid security may be perpetual. On the other hand, like debt securities, a hybrid security may be callable at the option of the issuer on a date specified at issue. Additionally, like common equities, which may stop paying dividends at virtually any time without violating any contractual terms or conditions, hybrid securities typically allow for issuers to withhold payment of interest until a later date or to suspend coupon payments entirely without triggering an event of default. Hybrid securities are normally at the bottom of an issuer's debt capital structure because holders of an issuer's hybrid securities are structurally subordinated to the issuer's senior creditors. In bankruptcy, hybrid security holders should only get paid after all senior creditors of the issuer have been paid but before any disbursements are made to the issuer's equity holders. Accordingly, hybrid securities may be more sensitive to economic changes than more senior debt securities. Such securities may also be viewed as more equity-like by the market when the issuer or its parent company experiences financial difficulties.

Contingent convertible securities, which are also known as contingent capital securities, are a form of hybrid security that are intended to either convert into equity or have their principal written down upon the occurrence of certain trigger events. One type of contingent convertible security has characteristics designed to absorb losses, by providing that the liquidation value of the security may be adjusted downward to below the original par value or written off entirely under certain circumstances. For instance, if losses have eroded the issuer's capital level below a specified threshold, the liquidation value of the security may be reduced in whole or in part. The write-down of the security's par value may occur automatically and would not entitle holders to institute bankruptcy proceedings against the issuer. In addition, an automatic write-down could

result in a reduced income rate if the dividend or interest payment associated with the security is based on the security's par value. Such securities may, but are not required to, provide for circumstances under which the liquidation value of the security may be adjusted back up to par, such as an improvement in capitalization or earnings. Another type of contingent convertible security provides for mandatory conversion of the security into common shares of the issuer under certain circumstances. The mandatory conversion might relate, for example, to the issuer's failure to maintain a capital minimum. Since the common stock of the issuer may not pay a dividend, investors in such instruments could experience reduced yields (or no yields at all) and conversion would deepen the subordination of the investor, effectively worsening the investor's standing in the case of the issuer's insolvency. An automatic write-down or conversion event with respect to a contingent convertible security will typically be triggered by a reduction in the issuer's capital level, but may also be triggered by regulatory actions, such as a change in regulatory capital requirements, or by other factors.

Synthetic local access instruments risk

The Funds may invest in participation notes, market access warrants and other similar structured investment vehicles (collectively, "synthetic local access instruments") which are instruments used by investors to obtain exposure to equity investments in local markets where direct ownership by foreign investors is not permitted or is otherwise restricted by local law. Synthetic local access instruments, which are generally structured and sold over-the-counter by a local branch of a bank or broker-dealer that is permitted to purchase equity securities in the local market, are designed to replicate exposure to one or more underlying equity securities. The price and performance of a synthetic local access instrument is normally intended to track the price and performance of the underlying equity assets as closely as possible. However, there can be no assurance that the results of synthetic local access instruments will replicate exactly the performance of the underlying securities due to transaction costs, taxes and other fees and expenses. The holder of a synthetic local access instrument may also be entitled to receive any dividends paid in connection with the underlying equity assets, but usually does not receive voting rights as it would if such holder directly owned the underlying assets.

Investments in synthetic local access instruments involve the same risks associated with a direct investment in the shares of the companies the instruments seek to replicate, including, in particular, the risks associated with investing outside Canada (please see *Foreign investment risk* on page 59). Synthetic local access instruments also involve risks that are in addition to the risks normally associated with a direct investment in the underlying equity securities. For instance, synthetic local access instruments represent unsecured, unsubordinated contractual obligations of the banks or broker-dealers that issue them. Consequently, a purchaser of a synthetic local access instrument relies on the creditworthiness of such a bank or broker-dealer counterparty and has no rights under the instrument against the issuer of the underlying equity securities. Additionally, there is no guarantee that a liquid market for a synthetic local access instrument will exist or that the issuer of the instrument will be willing to repurchase the instrument when an investor wishes to sell it.

Synthetic local access instruments, depending on their structure, may be subject to the risks associated with certain derivatives. For more information, please see *Derivative risk* above.

Taxation risk

Each Fund is expected to qualify as a mutual fund trust under the Tax Act by the time it files its first tax return in which it will make an election to be deemed to be a mutual fund trust effective from the date of its creation. It is the Manager's intention that the conditions prescribed in the Tax Act for qualification as a mutual fund trust for all of the Funds will be satisfied on a continuing basis. If a Fund fails to or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading *Income tax considerations* on page 32 could be materially and adversely different in some respects. **For example, if a Fund does not qualify as a mutual fund trust for the purposes of the Tax Act throughout a taxation year, the Fund would not be entitled to the capital gains refund and may be liable to pay an alternative minimum tax under the Tax Act. In addition, the Fund may be subject to the "mark-to-market" rules under the Tax Act if more than 50% of the fair market value of the units are held by "financial institutions" within the meaning of the Tax Act for purposes of the "mark-to-market" rules.**

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of unit trusts or mutual fund trusts will not be changed in a manner that adversely affects the Funds or their Unitholders. In addition, there can be no assurance that the CRA will agree with the tax treatment adopted by a Fund in filing its tax return and the CRA could reassess the Fund on a basis that results in tax being payable by the Fund or in an increase in the taxable component of distributions considered to have been paid to the Fund's Unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to the Fund's non-resident securityholders. Such liability may reduce the net asset value of securities of the Fund.

The Tax Act contains tax loss restriction event rules that apply to trusts such as the Funds. If a Fund experiences a "loss restriction event" for the purposes of the Tax Act, the taxation year of the Fund will be deemed to end, and an automatic distribution of income and net capital gains may occur under the terms of the Declaration of Trust so that the Fund will not be liable for non-refundable income tax under Part I the Tax Act for such year. In addition, accrued capital losses and certain other realized losses of the Fund would be unavailable for use by the Fund in future years. Unrealized capital losses will be realized, though the Fund can elect to realize any accrued gains to offset the losses. A Fund will have a "loss restriction event" if any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires securities of the Fund having a fair market value that is greater than 50% of the fair market value of all the securities of the Fund. However, a trust that qualifies as an "investment fund" as defined in the loss restriction event rules is exempt from such adverse consequences. An "investment fund" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a "mutual fund trust" for purposes of the Tax Act, not using any property in the course of carrying on a business

and complying with certain asset diversification requirements. If a Fund were not to qualify as an “investment fund”, it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules (the “**SIFT Rules**”) concerning the taxation of publicly traded Canadian trusts and partnerships (i.e., “SIFT trusts” and “SIFT partnerships”) that own certain types of property defined as “non-portfolio property”. A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust’s income earned from “non-portfolio property” to the extent that such income is distributed to its unitholders. Further, pursuant to certain Tax Amendments released by the Minister of Finance (Canada) on November 28, 2023 (the “**Equity Repurchase Rules**”), a trust that is a “SIFT trust” or that is otherwise a “covered entity” for purposes of the Equity Repurchase Rules is proposed to be subject to a 2% tax on the value of the trust’s equity repurchases (i.e., redemptions) in a taxation year (net of cash subscriptions received by the trust in that taxation year). If a Fund is subject to tax under the SIFT Rules or the Equity Repurchase Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of the SIFT Rules for a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Funds may pay foreign withholding or other taxes in connection with investments in foreign securities. Such taxes may be applied by foreign jurisdictions retroactively and may not be creditable against Canadian taxes paid by the Fund or its Unitholders. The liability for such taxes may reduce the net asset value of, or trading price of, Units of the Fund.

Trading price of Units risk

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the Fund’s NAV, as well as market supply and demand on the Designated Exchange.

U.S. federal agency obligations risk

The Funds may invest in obligations issued by U.S. federal agencies. Some U.S. federal agency securities are neither direct obligations of, nor guaranteed by, the U.S. government. These obligations include securities issued by certain U.S. government agencies and government-sponsored entities. However, they generally involve some form of federal sponsorship: some operate under a congressional charter; some are backed by collateral consisting of “full faith and credit” obligations as described below; some are supported by the issuer’s right to borrow from the U.S. Treasury; and others are supported only by the credit of the issuing government agency or entity. These agencies and entities include, but are not limited to: the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation (“Freddie Mac”), the Federal National Mortgage Association (“Fannie Mae”), the Tennessee Valley Authority and the Federal Farm Credit Bank System.

In 2008, Freddie Mac and Fannie Mae were placed into conservatorship by their new regulator, the Federal Housing Finance Agency ("FHFA"). Simultaneously, the U.S. Treasury made a commitment of indefinite duration to maintain the positive net worth of both firms. As conservator, the FHFA has the authority to repudiate any contract either firm has entered into prior to the FHFA's appointment as conservator (or receiver should either firm go into default) if the FHFA in its sole discretion determines that performance of the contract is burdensome and repudiation would promote the orderly administration of Fannie Mae's or Freddie Mac's affairs. While the FHFA has indicated that it does not intend to repudiate the guaranty obligations of either entity, doing so could adversely affect holders of their mortgage-backed securities. For example, if a contract were repudiated, the liability for any direct compensatory damages would accrue to the entity's conservatorship estate and could only be satisfied to the extent the estate had available assets. As a result, if interest payments on Fannie Mae or Freddie Mac mortgage-backed securities held by a Fund were reduced because underlying borrowers failed to make payments or such payments were not advanced by a loan servicer, the Fund's only recourse might be against the conservatorship estate, which might not have sufficient assets to offset any shortfalls.

The FHFA, in its capacity as conservator, has the power to transfer or sell any asset or liability of Fannie Mae or Freddie Mac. The FHFA has indicated it has no current intention to do this; however, should it do so a holder of a Fannie Mae or Freddie Mac mortgage-backed security would have to rely on another party for satisfaction of the guaranty obligations and would be exposed to the credit risk of that party.

Certain rights provided to holders of mortgage-backed securities issued by Fannie Mae or Freddie Mac under their operative documents may not be enforceable against the FHFA, or enforcement may be delayed during the course of the conservatorship or any future receivership. For example, the operative documents may provide that upon the occurrence of an event of default by Fannie Mae or Freddie Mac, holders of a requisite percentage of the mortgage-backed security may replace the entity as trustee. However, under the U.S. Federal Housing Finance Regulatory Reform Act of 2008, holders may not enforce this right if the event of default arises solely because a conservator or receiver has been appointed.

Obligations backed by the "full faith and credit" of the U.S. government risk: The Funds may invest in obligations backed by the "full faith and credit" of the U.S. government. Accordingly, the market value for these securities will fluctuate with changes in interest rates and the credit rating of the U.S. government. U.S. government obligations include the following types of securities: U.S. Treasury securities and guaranteed federal agency securities. U.S. Treasury securities include direct obligations of the U.S. Treasury, such as Treasury bills, notes and bonds. For these securities, the payment of principal and interest is unconditionally guaranteed by the U.S. government, and thus they are of high credit quality. Guaranteed federal agency securities are securities of certain U.S. government agencies and government-sponsored entities that are guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government. Such agencies and entities include, but are not limited to, the Federal Financing Bank, the Government National Mortgage Association, the Veterans Administration,

the Federal Housing Administration, the Export-Import Bank, the Overseas Private Investment Corporation, the Commodity Credit Corporation and the Small Business Administration.

Such securities are subject to variations in market value due to fluctuations in interest rates and in government policies, but, if held to maturity, are expected to be paid in full (either at maturity or thereafter). However, from time to time, a high national debt level, and uncertainty regarding negotiations to increase the U.S. government's debt ceiling and periodic legislation to fund the government, could increase the risk that the U.S. government may default on its obligations and/or lead to a downgrade of the credit rating of the U.S. government. Such an event could adversely affect the value of investments in securities backed by the full faith and credit of the U.S. government, cause a Fund to suffer losses and lead to significant disruptions in U.S. and global markets. Regulatory or market changes could increase demand for U.S. government securities and affect the availability of such instruments for investment and a Fund's ability to pursue its investment strategies.

Investment restrictions

The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Each of the Funds adheres to these standard investment restrictions and practices, except where approved by securities authorities as described under the heading "*Exemptions and Approvals*" beginning on page 42.

The fundamental investment objective of each of the Funds is set out below, beginning on page 85. Any change in the fundamental investment objective of a Fund requires the approval of a majority of the votes cast at a meeting of investors for that purpose. The Manager may change a Fund's investment strategies from time to time at its discretion.

None of the Funds has engaged, or will engage, in any undertaking other than the investment of its funds in property for the purposes of the Tax Act. In addition, no Fund will invest in or hold any securities or other assets or engage in any activity that would cause the Fund to be subject to the tax for "SIFT trusts" for purposes of the Tax Act.

Description of the securities offered by the Funds

General

Each Fund is permitted to issue an unlimited number of series of units, and an unlimited number of units of each series. The Funds offer one series of units designated as ETF units.

Units represent your ownership in a Fund. Each unit is entitled to:

- one vote for all matters brought before unitholders or before unitholders of that series of units on matters being voted on separately by series, as may be the case;

- receive an equal portion of all payments made to unitholders of that series of units in the form of income or capital distributions (other than in respect of management fee distributions and capital gains allocated and designated to redeeming Unitholders); and
- participate equally in the net assets of the Fund allocated to that series of units remaining after satisfaction of outstanding liabilities allocated to that series if the Fund is liquidated.

All units of a Fund are fully paid and non-assessable when issued.

A Fund or a particular series of a Fund may be terminated by the Manager at its discretion after giving affected unitholders reasonable notice (which is no less than 60 days) of the proposed termination.

Meetings of unitholders

Unitholders of each Fund will be permitted to vote on all matters that require unitholder approval under NI 81-102 and the Declaration of Trust. These matters are:

- a change in the basis of the calculation of a fee or expense payable by the Fund or a series to non-arm's length parties (such as the Manager), or directly by you to the Manager or the Fund in connection with the holding of units of the Fund, if the change could result in an increase in charges to the Fund, a series or you;
- the introduction of a fee or expense payable by the Fund or a series to non-arm's length parties (such as the Manager), or directly by you to the Manager or the Fund in connection with the holding of units of the Fund, if the fee or expense could result in an increase in charges to the Fund, a series or you;
- a change of the manager, unless the new manager is an affiliate of the Manager;
- a decrease in the frequency of the calculation of the NAV per unit of the Fund; and
- certain material reorganizations of the Fund.

Where a Fund holds securities of an underlying fund, if we or an affiliate are the manager of both the Fund and the underlying fund, we will not vote the securities of the underlying fund. However, in our discretion, we may decide to flow those voting rights to unitholders of the Fund.

In some cases, NI 81-102 permits these changes to be made without unitholder approval. In these cases, unitholder approval will not be obtained and, instead, unitholders of a Fund or the relevant series will be given at least 60 days' notice of the change before the effective date of the change.

Amendments to the Declaration of Trust

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders of a Fund shall take effect until the Manager has obtained

the prior approval of not less than a majority of the votes cast at such meeting of Unitholders of the Fund.

Except as otherwise provided in the Declaration of Trust, the Manager may modify, alter or add to the provisions of the Declaration of Trust without the approval of or prior notice to any Unitholders where the change is made:

- (a) to comply with applicable legislation, regulations, policies or guidelines of any governmental authority having jurisdiction over a Fund or the distribution of its Units;
- (b) for the purpose of protecting the Unitholders;
- (c) to remove any conflicts or other inconsistencies that may exist between any of the terms of the Declaration of Trust and any provisions of any legislation, regulation, policy or guideline applicable to or affecting a Fund or the Manager;
- (d) to cure or correct any typographical error, ambiguity, defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (e) to facilitate the administration of a Fund as a mutual fund trust or make amendments or adjustments in response to any amendments to the Tax Act that might otherwise adversely affect the tax status of a Fund or the Unitholders;
- (f) to amend the provisions of the Declaration of Trust if the Manager is of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable; or
- (g) to divide the capital of a Fund into one or more classes or series of Units, to establish the attributes that shall attach to each class or series of Units, to redesignate any class or series of Units as a different class or series of Units and/or to redesignate any Units of a class or series of Units as Units of a different class or series of Units, provided that in each case the rights of existing Unitholders under the Declaration of Trust are not changed in a manner that is adverse to those Unitholders.

The Manager may modify, alter or add to the provisions of the Declaration of Trust in any manner not provided above, provided that no such change shall take effect until 60 days' written notice thereof shall have been given to the Unitholders. All persons remaining or becoming Unitholders after the effective date of such change shall be bound by such change.

Reporting to Unitholders

The fiscal year of each Fund shall be determined by the Manager. The annual financial statements of the Funds will be audited by its auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS Accounting Standards.

The Manager will ensure that the Funds comply with all applicable reporting and administrative requirements, including preparing and issuing unaudited interim financial statements. Each Unitholder of a Fund will be mailed annually, by the Unitholder's broker, dealer or investment advisor, within the time required by applicable law, prescribed tax information with respect to amounts paid or payable by the Fund in respect of that taxation year of that Fund.

The Manager will keep adequate books and records reflecting the activities of the Funds. The registers of a Fund shall at all reasonable times be open for inspection by any Unitholders of that Fund for any proper purpose. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Funds.

Termination of the Funds

Subject to complying with applicable securities law, the Manager may terminate a Fund at its discretion. In accordance with the terms of the Declaration of Trust and applicable securities law, Unitholders of a Fund will be provided 60 days' advance written notice of the termination and the Manager will issue a press release in advance thereof.

If a Fund is terminated, the Manager is empowered to take all steps necessary to effect the termination of the Fund. Prior to terminating a Fund, the Manager may discharge all of the liabilities of the Fund and distribute the net assets of the Fund to the Unitholders of the Fund.

Upon termination of a Fund, the Manager shall distribute from time to time to Unitholders of record affected by the termination, as of the effective date of termination, their proportionate share of all of the property of the Fund attributable to the series of Units held by the Unitholder, but not necessarily any specific property or assets, available at that time for the purpose of such distribution. For greater certainty, in satisfying the requirement to distribute each Unitholder's proportionate share of such Fund's property, the Manager may, in its sole discretion, distribute to each Unitholder the same type of, or a different type of, such property and assets, provided that the value of the property and/or assets so distributed, based on the latest valuation information available to the Manager, is equal to the value of such Unitholder's proportionate share as of the effective date of termination.

The Manager shall be entitled to retain out of any assets of a Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Manager in connection with or arising out of the termination of a Fund and the distribution of the Fund's assets to Unitholders and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

The rights of Unitholders to exchange and redeem Units described under "*Redemptions and Exchanges*" will cease as and from the date of termination of the applicable Fund.

Fund details

This section identifies each Fund's type, available series, start date of each Fund series, eligibility as a "qualified investment" under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs, TFSA's and FHSA's and investment subadvisor. Investors should consult with their own tax advisors as to whether units would constitute a "prohibited investment" under the Tax Act if held in their RRSP, RRIF, TFSA, RESP, RDSP or FHSA.

What does the Fund invest in?

This section provides the investment objective and strategies of each Fund. Each Fund will need the approval of its unitholders to change its fundamental investment objective. A Fund's investment strategies may change, from time to time, in the discretion of the derivatives portfolio advisor and/or investment subadvisor.

Investment Objective = a Fund's goal, including the type of securities in which it invests.
Investment Strategies = how a Fund's portfolio advisor and/or investment subadvisor attempts to achieve the objective.

Distribution policy

This section tells you how often each Fund intends to make a distribution of income and capital gains and return of capital to Unitholders. As a Unitholder, you are entitled to your share of a Fund's net income and net realized capital gains on its investments.

Distributions, if any, on Units of a Fund are expected to be paid out of interest, dividends (including taxable dividends from taxable Canadian corporations) or other income received by the Fund less the expenses of the Fund, but may also consist of net realized capital gains or returns of capital, which may be paid in the Manager's sole discretion.

In addition to the regular distributions, any Fund may from time to time pay additional distributions on its Units, including without restriction in connection with a special distribution or in connection with returns of capital. Any returns of capital will not generally be included in the Unitholder's income for the year but will reduce the adjusted cost base of the Unitholder's Units of the Fund held as capital property.

To the extent that a Fund has not otherwise distributed the full amount of its net income or net realized capital gains for any taxation year, the difference between such amount and the amount otherwise distributed by the Fund will be paid or made payable by the Fund after December 15 but on or before December 31 of the applicable calendar year. Such special distributions may be paid in the form of Units of the Fund and/or cash. Any special distributions payable in Units will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units held by the Unitholder after such

distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution.

A Unitholder who exchanges or redeems Units during the period that begins one business day prior to a distribution record date and ends on and includes that distribution record date will be entitled to receive the distribution that is declared payable to Unitholders of record on that distribution record date. The Fund may allocate and designate as payable certain net realized capital gains to a Unitholder whose Units are being redeemed or exchanged as described under “Redemptions and Exchanges – Allocations of Capital Gains to Redeeming or Exchanging Unitholders”.

Name, Formation and History of the Funds

Each Fund is an open-ended mutual fund trust created under the laws of Ontario pursuant to a Master Declaration of Trust dated ●, 2024, as amended. The address of the registered office of the Funds is Suite 3100, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario M5J 2T3.

The following table sets out the date of formation of each Fund and any changes to the Fund names, and any other major events affecting the Fund in the last 10 years:

Fund Name	Formation Date	Major Events
Capital Group International Equity Select ETF™ (Canada)	●, 2024	The Fund is new and has therefore not experienced any major events.
Capital Group Global Equity Select ETF™ (Canada)	●, 2024	The Fund is new and has therefore not experienced any major events.
Capital Group World Bond Select ETF™ (Canada)	●, 2024	The Fund is new and has therefore not experienced any major events.
Capital Group Multi-Sector Income Select ETF™ (Canada)	●, 2024	The Fund is new and has therefore not experienced any major events.

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 on page 48 under the heading *What are the specific risks of investing in a mutual fund?*

Investment risk classification methodology

The investment risk level of each Fund is required to be determined in accordance with a standardized risk classification methodology that is based on each Fund's historical volatility risk as measured by the 10-year standard deviation of the returns of that Fund. It is important to note that historical performance may not be indicative of future returns and a Fund's historical volatility may not be indicative of its future volatility. For Funds that do not have a 10-year history, we have imputed the return history of reference indices that are expected to reasonably approximate the standard deviation of the Funds for the 10 year-history. There may be times when we believe this methodology produces a result that does not necessarily reflect a Fund's risk or the risk of a specific series, based on other qualitative factors. In this case, a Fund or a specific series of units of a Fund may be placed in a higher risk rating category, as appropriate.

The following chart sets out the description of the reference index used for each Fund that has less than a 10-year history:

Fund	Reference index
Capital Group International Equity Select ETF™ (Canada)	MSCI ACWI (All Country World Index) ex USA net dividends reinvested
Capital Group Global Equity Select ETF™ (Canada)	MSCI ACWI (All Country World Index) net dividends reinvested
Capital Group World Bond Select ETF™ (Canada)	Bloomberg Global Aggregate Bond Index (CAD Hedged)
Capital Group Multi-Sector Income Select ETF™ (Canada)	Bloomberg U.S. Aggregate Bond Index (CAD Hedged)

Reference index descriptions
<p>The MSCI ACWI (All Country World Index) ex USA is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed (excluding the US) and emerging markets. As of December 31, 2023, the MSCI ACWI ex USA consisted of 46 country indices comprising 22 developed and 24 emerging market country indices.</p>

Reference index descriptions
<p>The MSCI ACWI (All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of December 31, 2023, the MSCI ACWI consists of 47 country indices comprising 23 developed and 24 emerging market country indices.</p>
<p>The Bloomberg Global Aggregate Bond Index (CAD Hedged) is the Bloomberg Global Aggregate Bond Index hedged to the Canadian dollar. The Bloomberg Global Aggregate Bond Index is a flagship measure of global investment grade debt from twenty-eight local currency markets. This multicurrency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. There are four regional aggregate benchmarks that largely comprise the Global Aggregate Index: the U.S. Aggregate, the Pan-European Aggregate, the Asian Pacific Aggregate and the Canadian Aggregate indices. The Global Aggregate Index also includes Eurodollar, Euro-Yen and 144A Index-eligible securities, and debt from five local currency markets not tracked by the regional aggregate benchmarks (CLP, COP, MXN, PEN, and ILS). A component of the Multiverse Index, the Global Aggregate Index was created in 2000, with index history backfilled to January 1, 1990.</p>
<p>The Bloomberg U.S. Aggregate Bond Index (CAD Hedged) is the Bloomberg U.S. Aggregate Bond Index hedged to the Canadian dollar. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities.</p>

The investment risk level is reviewed at least annually, and more frequently as necessary, at the discretion of the Manager.

Each of the Funds has been assigned a risk rating in one of the following categories:

Low – for funds with a level of risk typically associated with investment in money market and fixed income;

Low to Medium – for funds with a level of risk typically associated with investment in balanced and asset allocation strategies;

Medium – for funds with a level of risk typically associated with investment in equities that are diversified and contain large capitalization equities in developed markets;

Medium to High – for funds with a level of risk typically associated with equities concentrated in specific sectors, geographical regions, or smaller capitalization companies;

High – for funds with a level of risk typically associated with emerging markets equities, or sectors of the economy where there is substantial risk of loss.

The standardized risk classification methodology that the Manager uses to identify the investment risk level of each Fund is available on request, at no cost, by calling us at 1-888-421-5111 or by visiting our website: capitalgroup.com/ca.

Capital Group International Equity Select ETF™ (Canada) (CAPI)***Fund details***

Type of fund:	International equity
Start date:	●, 2024
Ticker symbol:	CAPI
Eligible for registered plans:	Yes
Derivatives portfolio advisor	Capital Research and Management Company, Los Angeles, California
Investment subadvisor:	Capital Research and Management Company, Los Angeles, California

What does the Fund invest in?***Investment objective***

- Long-term growth of capital through investments in a portfolio comprised primarily of securities of large-capitalization issuers located outside North America.

The fundamental investment objective may be changed only with the approval of a majority of votes cast by unitholders at a meeting called for that purpose.

Investment strategies

The Fund relies on the professional judgment of its subadvisor to make decisions about the Fund's portfolio investments. The investment philosophy of the investment subadvisor is described on page 4.

In addition, the Fund uses the following investment strategies:

- The Fund invests primarily in a broad range of equity or equity-type securities including depositary receipts.
- The Fund may invest in issuers in developed and developing countries; a significant portion of its assets may be invested in issuers in developing countries.
- The assets of the Fund will be invested with geographic flexibility, which may include a portion of the assets being invested in Canadian and U.S. issuers, giving consideration to

the economic, social and political developments, currency risks and liquidity of various national markets.

- Although the Fund intends to focus its investments in such issues, it may invest in fixed-income securities, cash and cash equivalents, including commercial paper and short term securities when prevailing market and economic conditions indicate that it is desirable to do so. When the investment subadvisor believes it is appropriate, the Fund may invest a substantial portion of the Fund's assets in such instruments, in response to certain circumstances, such as periods of market turmoil. For temporary defensive purposes, the Fund may invest without limitation in such instruments.
- Although the Fund does not intend to seek short-term profits, the Fund may sell portfolio assets when the investment subadvisor believes it is appropriate to do so, without regard to the length of time a particular asset may have been held. Consistent with its investment objective, the Fund may from time to time purchase forward currency contracts to manage risk and implement investment strategies in a more efficient manner.
- The Fund may also invest in other ETFs.
- The Fund may enter into securities lending agreements, repurchase transactions and reverse repurchase transactions to seek enhanced returns, but will do so only if there are suitable counterparties available and if the transactions are considered appropriate. See page 14 for a description of securities lending, repurchase transactions and reverse repurchase transactions.

Distribution policy

The Fund typically distributes net income and net realized capital gains annually in December.

What are the risks of investing in the Fund?

See pages 47 to 74 for a full discussion of these risks.

- Absence of a public market for the Units risk
- Cease trading of Units risk
- Concentration risk
- Currency risk
- Cybersecurity risk
- Depositary receipts risk
- Derivative risk
- Derivatives portfolio advisor and/or subadvisor risk
- Designated Broker / Dealer risk
- Emerging markets or developing countries risk
- Equity risk
- Exposure to country, region, industry or sector risk
- Foreign investment risk
- Fund-of-fund risk

- Growth-oriented security risk
- Indirect exposure to cryptocurrencies risk
- Issuer risk
- Legislation, regulatory and tax policy risk
- Liquidity risk
- Market risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Synthetic local access instruments risk
- Taxation risk
- Trading price of Units risk

Capital Group Global Equity Select ETF™ (Canada) (CAPG)***Fund details***

Type of fund:	Global equity
Start date:	●, 2024
Ticker symbol:	CAPG
Eligible for registered plans:	Yes
Derivatives portfolio advisor	Capital Research and Management Company, Los Angeles, California
Investment subadvisor:	Capital Research and Management Company, Los Angeles, California

What does the Fund invest in?***Investment objective***

- Long-term growth of capital through investments primarily in common stocks, including growth-oriented stocks, on a global basis. Future income is a secondary objective.

The fundamental investment objective may be changed only with the approval of a majority of votes cast by unitholders at a meeting called for that purpose.

Investment strategies

The Fund relies on the professional judgment of its subadvisor to make decisions about the Fund's portfolio investments. The investment philosophy of the investment subadvisor is described on page 4.

In addition, the Fund uses the following investment strategies:

- The Fund may invest its assets on a global basis, primarily in common stocks, including growth-oriented stocks, in depositary receipts and may invest in issuers in developed countries or developing countries.
- Although the Fund intends to focus its investments in common stocks, it may invest a portion of its assets in fixed-income securities, cash and cash equivalents or money

market instruments, including commercial paper and short-term securities, when prevailing market and economic conditions indicate that it is desirable to do so. When the investment subadvisor believes it is appropriate, the Fund may invest a substantial portion of the Fund's assets in such instruments, in response to certain circumstances, such as periods of market turmoil. For temporary defensive purposes, the Fund may invest without limitation in such instruments.

- Although the Fund does not intend to seek short-term profits, the Fund may sell portfolio assets when the investment subadvisor believes it is appropriate to do so, without regard to the length of time a particular asset may have been held.
- Consistent with its investment objective, the Fund may from time to time purchase forward currency contracts to manage risk and implement investment strategies in a more efficient manner.
- The Fund may also invest in other ETFs.
- The Fund may enter into securities lending agreements, repurchase transactions, and reverse repurchase transactions to seek enhanced returns but will do so only if there are suitable counterparties available and if the transactions are considered appropriate. See page 14 for a description of securities lending, repurchase transactions and reverse repurchase transactions.

Distribution policy

The Fund typically distributes net income and net realized capital gains annually in December.

What are the risks of investing in the Fund?

See pages 48 to 74 for a full discussion of these risks.

- Absence of a public market for the Units risk
- Cease trading of Units risk
- Concentration risk
- Currency risk
- Cybersecurity risk
- Depositary receipts risk
- Derivative risk
- Derivatives portfolio advisor and/or subadvisor risk
- Designated Broker / Dealer risk
- Emerging markets or developing countries risk
- Equity risk
- Exposure to country, region, industry or sector risk
- Foreign investment risk
- Fund-of-fund risk
- Growth-oriented security risk
- Indirect exposure to cryptocurrencies risk

- Issuer risk
- Legislation, regulatory and tax policy risk
- Liquidity risk
- Market risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Synthetic local access instruments risk
- Taxation risk
- Trading price of Units risk

Capital Group World Bond Select ETF™ (Canada) (CAPW)

Fund details

Type of fund:	Global fixed income
Start date:	●, 2024
Ticker symbol:	CAPW
Eligible for registered plans:	Yes
Derivatives portfolio advisor	Capital Research and Management Company, Los Angeles, California
Investment subadvisor:	Capital Research and Management Company, Los Angeles, California

What does the Fund invest in?

Investment objective

- Seeks to provide, over the long term, a high level of total return consistent with prudent investment management through investments primarily in bonds and other debt securities of global issuers. Total return comprises the income generated by the Fund and the changes in the market value of the Fund's investments.

The fundamental investment objective may be changed only with the approval of a majority of votes cast by unitholders at a meeting called for that purpose.

Investment strategies

The Fund relies on the professional judgment of its subadvisor to make decisions about the Fund's portfolio investments. The investment philosophy of the investment subadvisor is described on page 4.

In addition, the Fund uses the following investment strategies:

- Under normal market circumstances, the Fund will invest at least 80% of its assets in bonds and other debt securities, taken at market value at the time of acquisition, which may be represented by other investment instruments, including derivatives. Debt

securities include asset-backed and mortgage-backed securities and securities of governmental, supranational and corporate issuers denominated in various currencies, including Canadian dollars.

- The Fund will invest substantially in securities of issuers in countries other than Canada and the U.S., including developing countries.
- Normally, the Fund will invest substantially in investment-grade bonds (rated Baa3 or better or BBB– or better by Statistical Rating Organizations recognized by the United States Securities and Exchange Commission (“SROs”) designated by the subadvisor or unrated but determined to be of equivalent quality by the subadvisor).
- The Fund may also invest up to 25% of the value of its assets, taken at market value at the time of acquisition, in lower quality, higher yielding debt securities (rated Ba1 or below and BB+ or below by SROs designated by the subadvisor or unrated but determined to be of equivalent quality by the subadvisor). Such securities are sometimes referred to as “junk bonds.” The total return of the Fund will include the result of interest income, changes in the market value of the Fund’s investments and changes in the values of other currencies relative to the Canadian dollar.
- The Fund may invest a portion of its assets in cash and cash equivalents or money market instruments, including commercial paper and short-term securities, when prevailing market and economic conditions indicate that it is desirable to do so. When the investment subadvisor believes it is appropriate, the Fund may invest a substantial portion of the Fund’s assets in such instruments, in response to certain circumstances, such as periods of market turmoil. For temporary defensive purposes, the Fund may invest without limitation in such instruments.
- Although Fund does not intend to seek short-term profits, the Fund may sell portfolio assets when the investment subadvisor believes it is appropriate to do so, without regard to the length of time a particular asset may have been held.
- The Fund may invest in certain derivative instruments, such as forward contracts, futures contracts, swaps, and options, to, among other things, provide liquidity, obtain exposure not otherwise available, manage risk, manage the Fund’s sensitivity to interest rates, manage foreign currency exposure, increase exposure to a particular foreign currency, shift exposure to currency fluctuations from one currency to another, manage duration and yield curve exposure, assume exposure to a diversified portfolio of credits or to hedge against existing credit risks, seek to increase total return and implement investment strategies in a more efficient manner.
- The Fund may also invest in hybrid securities, structured notes, REITs, other ETFs, credit-linked notes and, under certain conditions as described under “*Exemptions and Approvals – Investment in mutual funds*” on page 42, UCITs.
- The Fund will use a derivatives currency hedging overlay strategy to hedge back to the Canadian dollar its foreign currency exposure. However, there will be circumstances,

from time to time, where the level of hedging does not fully cover the foreign currency exposure. Among other things, this will include circumstances where it may be difficult to hedge certain currencies or where the costs to hedge certain currencies may be excessive. While this strategy may not achieve a perfect hedge of the Fund's foreign currency exposure, it will generally have a rate of return that is based on the performance of the Fund's portfolio holdings excluding performance attributable to foreign currency fluctuations relative to the Canadian dollar.

- The Fund may enter into securities lending agreements, repurchase transactions, and reverse repurchase transactions to seek enhanced returns but will do so only if there are suitable counterparties available and if the transactions are considered appropriate. See page 14 for a description of securities lending, repurchase transactions and reverse repurchase transactions.

Distribution policy

The Fund intends to distribute net income on a monthly basis and net realized capital gains annually in December.

What are the risks of investing in the Fund?

See pages 48 to 74 for a full discussion of these risks.

- Absence of a public market for the Units risk
- Cease trading of Units risk
- Concentration risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Derivative risk
- Derivatives portfolio advisor and/or subadvisor risk
- Designated Broker / Dealer risk
- Emerging markets or developing countries risk
- Exposure to country, region, industry or sector risk
- Foreign investment risk
- Forward commitment and TBA transactions risk
- Fund-of-fund risk
- Income-oriented security risk
- Indirect exposure to cryptocurrencies risk
- Inflation linked bonds risk
- Interest rate risk
- Issuer risk
- Legislation, regulatory and tax policy risk
- Liquidity risk
- Market risk
- Mortgage-related and other asset-backed securities risk

- Municipal bonds risk
- Real estate investment trusts risk
- Securities lending, repurchase and reverse repurchase transactions risk
- Securities with equity and debt characteristics risk
- Taxation risk
- Trading price of Units risk
- U.S. federal agency obligations risk

Capital Group Multi-Sector Income Select ETF™ (Canada) (CAPM)***Fund details***

Type of fund:	Multi-sector fixed-income
Start date:	●, 2024
Ticker symbol:	CAPM
Eligible for registered plans:	Yes
Derivatives portfolio advisor	Capital Research and Management Company, Los Angeles, California
Investment subadvisor:	Capital Research and Management Company, Los Angeles, California

What does the Fund invest in?***Investment objective***

- Seeks to provide a high level of current income through investments primarily in a broad range of bonds and other debt securities. The fund's secondary objective is capital appreciation.

The fundamental investment objective may be changed only with the approval of a majority of votes cast by unitholders at a meeting called for that purpose.

Investment strategies

The Fund relies on the professional judgment of the investment subadvisor to make decisions about the Fund's portfolio investments. The investment philosophy of the investment subadvisor is described on page 4.

In addition, the Fund uses the following investment strategies:

- Under normal circumstances, the Fund will invest at least 80% of its assets, taken at market value at the time of acquisition, in bonds and other debt instruments, which may be represented by other investment instruments, including derivatives.

- In seeking to achieve a high level of current income, the Fund invests in a broad range of debt securities across the credit spectrum. Normally, the Fund will invest its assets across four primary sectors: high-yield corporate debt, investment grade corporate debt, debt instruments of emerging market issuers and securitized debt. The proportion of securities held by the Fund within each of these credit sectors will vary with market conditions and the subadvisor's assessment of their relative attractiveness as investment opportunities.
- The Fund may opportunistically invest in other sectors, including U.S. government debt, municipal debt and non-corporate credit, in response to market conditions.
- The Fund may invest substantially in debt securities rated Ba1 or below and BB+ or below by SROs designated by the Fund's subadvisor, or unrated but determined to be of equivalent quality by the subadvisor. Such securities are sometimes referred to as "junk bonds."
- The Fund may invest in various types of securitized debt instruments, including mortgage- and other asset-backed securities and collateralized debt obligations.
- The Fund may also invest a significant portion of its assets in securities of issuers in countries other than Canada and the U.S., including developing countries.
- The Fund may invest a portion of its assets in cash and cash equivalents or money market instruments, including commercial paper and short-term securities when prevailing market and economic conditions indicate that it is desirable to do so. When the investment subadvisor believes it is appropriate, the Fund may invest a substantial portion of the Fund's assets in such instruments, in response to certain circumstances, such as periods of market turmoil. For temporary defensive purposes, the Fund may invest without limitation in such instruments.
- The Fund may invest in certain derivative instruments, such as forward contracts, futures contracts, swaps, and options, to, among other things, provide liquidity, obtain exposure not otherwise available, manage risk, manage the Fund's sensitivity to interest rates, manage foreign currency exposure, increase exposure to a particular foreign currency, shift exposure to currency fluctuations from one currency to another, manage duration and yield curve exposure, assume exposure to a diversified portfolio of credits or to hedge against existing credit risks, seek to increase total return and implement investment strategies in a more efficient manner.
- The Fund will use a derivative hedging strategy to materially reduce, but not necessarily eliminate, the exposure to the U.S. dollar and other foreign currencies. However, there is no guarantee that these derivatives hedging strategies will be successful.
- The Fund may also invest in hybrid securities, structured notes, REITs, other ETFs and credit-linked notes.

- Although the Fund does not intend to seek short-term profits, the Fund may sell portfolio assets when the investment subadvisor believes it is appropriate to do so, without regard to the length of time a particular asset may have been held.
- The Fund may enter into securities lending agreements, repurchase transactions, and reverse repurchase transactions to seek enhanced returns but will do so only if there are suitable counterparties available and if the transactions are considered appropriate. See page 14 for a description of securities lending, repurchase transactions and reverse repurchase transactions.

Distribution policy

The Fund intends to distribute net income on a monthly basis and net realized capital gains annually in December.

What are the risks of investing in the Fund?

See pages 48 to 74 for a full discussion of these risks.

- Absence of a public market for the Units risk
- Cease trading of Units risk
- Concentration risk
- Credit risk
- Currency risk
- Cybersecurity risk
- Derivative risk
- Derivatives portfolio advisor and/or subadvisor risk
- Designated Broker / Dealer risk
- Emerging markets or developing countries risk
- Exposure to country, region, industry or sector risk
- Foreign investment risk
- Forward commitment and TBA transactions risk
- Fund-of-fund risk
- Income-oriented security risk
- Indirect exposure to cryptocurrencies risk
- Inflation linked bonds risk
- Interest rate risk
- Issuer risk
- Legislation, regulatory and tax policy risk
- Liquidity risk
- Market risk
- Mortgage-related and other asset-backed securities risk
- Municipal bonds risk
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- Real estate investment trusts risk
- Securities lending, repurchase and reverse repurchase transactions risk

- Securities with equity and debt characteristics risk
- Taxation risk
- Trading price of Units risk
- U.S. federal agency obligations risk



Capital Group International Equity Select ETF™ (Canada)
Capital Group Global Equity Select ETF™ (Canada)
Capital Group World Bond Select ETF™ (Canada)
Capital Group Multi-Sector Income Select ETF™ (Canada)

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Additional information about the Funds is available in the Funds' ETF Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form a 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 1-888-421-5111, or from your dealer or by email at CiamComments@capgroup.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Funds' designated website at capitalgroup.com/ca/en/investments or at sedarplus.ca.