

SOCIAL HOUSING INVESTMENT FUNDS

SIMPLIFIED PROSPECTUS

Offering Series B Units of:

Social Housing Canadian Short-Term Bond Fund

Social Housing Canadian Bond Fund

Social Housing Canadian Equity Fund

June 28, 2018

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

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INTRODUCTION

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights.

This document is divided into two parts:

- The first part (from pages 1 to 10) contains general information applicable to all of the Social Housing Investment Funds (individually, a “Fund” and collectively, the “Funds”) sold under this Simplified Prospectus.
- The second part (from pages 11 to 189) contains specific information about each Social Housing Investment Fund.

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

- the Annual Information Form;
- the most recently filed Fund Facts;
- the most recently filed annual financial statements;
- any interim financial 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 Phillips, Hager & North Investment Funds Ltd., the principal distributor of the Funds, at **1-888-771-7473** or by e-mail at **shsf@phn.com** or on the **Manager’s website at www.encasa.ca**.

These documents and other information about the Social Housing Investment Funds are also available on the Internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

WHAT IS AN INVESTMENT FUND AND WHAT ARE THE RISKS OF INVESTING IN AN INVESTMENT FUND?

What is an Investment Fund?

An investment fund is a pool of money managed by investment experts. Investors with similar investment goals

contribute money to the fund to become unitholders of the fund and share in the fund’s income, expenses, gains and losses in proportion to the units they own. The value of an investment in a fund is realized by redeeming the units held. One of the most common ways to create a fund is through a trust. The Social Housing Investment Funds have been created this way.

A fund may own different types of securities - stocks, bonds, cash, and derivatives - depending upon the fund’s investment objectives.

The value of these securities 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 fund’s units may go up and down, and the value of your investment in a fund may be more or less when you redeem it than when you purchased it.

We do not guarantee that the full amount of your original investment in any of the Social Housing Investment Funds will be returned to you. Unlike bank accounts or GICs, fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

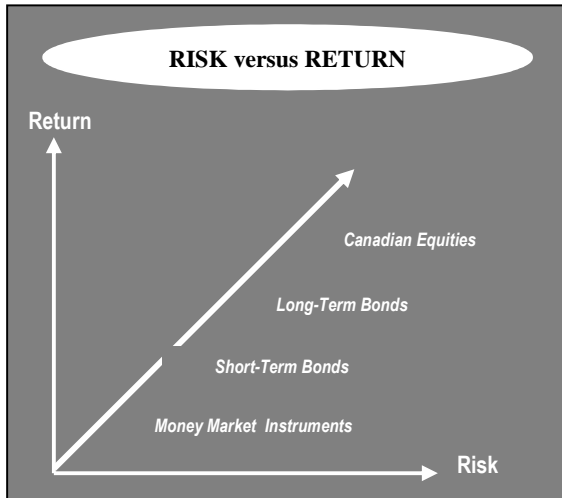
Under exceptional circumstances, a fund may suspend redemption of units. Please see page 7 - “Redemptions”.

General Investment Risks

As with most other investments, investment funds have an element of risk. The level of risk depends on the fund’s investment objectives and the types of securities in which it invests. The total effect of different types of risk is measured by volatility. Volatility measures the variability of a security’s price. Money market funds generally have lower risk as they primarily invest in short-term government treasury bills and other high quality money market instruments. Bond funds, which invest in bonds and other fixed income securities, typically have higher risk because their unit prices change when interest rates change. Equity funds have the highest risk because they invest in stocks whose prices can rise and fall significantly in a short period of time.

Generally, higher-risk investments have higher potential returns, while less risky investments have lower potential returns.

The following chart illustrates the relationship between risk and potential return for different types of securities:



The Specific Risks You May Face

General Market Risk

General market risk is the risk that the markets will go down in value, including the possibility that the markets will go down sharply and unpredictably. Several factors can influence market trends, such as economic developments, changes in interest rates, and political changes. All investments are subject to market risk.

Fixed Income Risk

One risk of investing in fixed income securities, such as bonds, is the risk that the issuer of the security will be unable to pay the interest or principal when due. This is generally referred to as “credit risk”. The degree of credit risk will depend not only on the financial condition of the issuer but on the terms of the bonds in question. A downgrade in an issuer’s credit rating or other adverse news regarding an issuer can reduce a securities’ market value or impact an issuer’s ability to pay interest or repay principal when due. Other factors which can influence a fixed income security’s market value or impact an issuer’s ability to pay interest or repay principal when due, include a change in the market’s perception of the security or the issuer, the value of underlying assets or collateral (if any) and any mismatch in timing between the cash flow of the underlying assets and the repayment obligation of the security upon maturity. A fund may reduce credit risk by investing in senior bonds, those that have a claim prior to junior obligations and equity on the issuer’s assets in the event of bankruptcy. Credit risk may also be minimized by investing in bonds that may have specific assets pledged to the lender during the term of the debt.

Prices of debt obligations generally increase when interest rates decline and decrease when interest rates increase. This risk is known as “interest rate risk”. Prices of longer-term fixed income securities generally fluctuate more in response to interest rate changes than do shorter-term securities. The types and maturity dates of a fund’s holdings of fixed income securities will vary depending upon a portfolio manager’s assessment of pertinent economic and market conditions affecting the rate of return on fixed income securities.

Equities Risk

Individual stocks (or equities) rise and fall with the fortunes of the companies that issue them. It may be difficult to get accurate information about some companies, particularly smaller firms, making it difficult to assess the value of their securities. There is the chance that a fund may select stocks that under-perform the markets or other similar products with similar investment objectives and investment strategies. General economic and market trends can also affect individual stock prices.

Liquidity, Information and Valuation Risks

Certain securities, including securities of small companies, and “restricted securities” may be illiquid or volatile, making it difficult or impossible to sell them at the time and at the price that a fund would like. Restricted securities have contractual or legal restrictions on their resale and include “private placement” equity securities that a fund may buy directly from the issuer. Also, important information about these companies’ securities may be inaccurate or unavailable. It may be difficult to value accurately these types of securities. Certain derivatives may be subject to these risks as well.

Derivatives Risk

Derivatives are volatile and involve significant risks, including many of the risks described above. Other risks include:

- **Credit risk** — the risk that the counterparty on a derivative transaction will be unable to honour its financial obligation to the funds.
- **Currency risk** — the risk that changes in the exchange rate between two currencies will adversely affect the value (in Canadian dollar terms) of an investment.
- **Liquidity risk** — the risk that certain securities may be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is worth.
- **Index risk** — if the derivative is linked to the performance of an index, it will be subject to the risks associated with

changes in that index. If the index changes, funds could receive lower interest payments or experience a reduction in the value of the derivative to below what the fund paid.

Currency Risk

The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

Large Investor Risk

Securities of funds may be purchased and redeemed by large investors. These investors may purchase or redeem large numbers of securities of a fund at one time. This in turn may cause the fund in which these investors have invested to purchase or sell large portions of its portfolio securities which may adversely affect the net asset value of the fund.

Securities Lending Risk

There are risks associated with securities lending transactions. The value of securities loaned under a securities lending transaction may exceed the value of the collateral held by a fund. If there is a default on an obligation to repay the securities to the fund, the collateral may be insufficient to enable the fund to purchase replacement securities and the fund may suffer a loss for the difference.

Series Risk

If a fund which has multiple series of units cannot pay the expenses of one series using that series' proportionate share of the fund's assets for any reason, the fund will be required to pay those expenses out of the other series' proportionate share of the fund's assets. This could lower the investment returns of the other series.

Concentration Risk

There are risks associated with any fund that concentrates its investments in a particular issuer or issuers. Concentrating investments allows a fund to focus on a particular issuer's potential, but it also means that the value of the fund tends to be more volatile than the value of a more diversified fund because the concentrated fund's value is affected more by the performance of that particular issuer.

Socially Responsible Investing Risk

Socially responsible investing and impact investments outside of Canada and the United States can be difficult to monitor. Countries have quite different laws and regulations governing the securities markets, financial and company disclosure, environmental, labour, health and welfare standards and practices. Generally, there is less information available to the public about the business activities and practices of foreign companies. As a result, it is more difficult to effectively apply social investing screens in these types of investments than it is in public companies in Canada and the United States, and an investment may be inadvertently made in a company that is not as socially responsible as desired by the Portfolio Manager.

While few companies may reach the ideal in all respects of social responsibility, the "*Socially Responsible Investment Principles*" outlined on page 11 of this document articulate the Portfolio Manager's highest expectations for corporate behavior. When the Portfolio Manager becomes aware it has invested in a company that may be engaged in an activity which is inconsistent with such criteria, it may first seek to use its influence, through shareholder activism and management dialogue, to change that activity and may eventually determine to sell its investment. The Portfolio Manager is not under any strict schedule to make a decision to sell such investments.

Trust Investment Risk

A fund that invests in trusts faces the risk that, as a holder of units of a trust, the fund may be held liable and subject to levy or execution for satisfaction of all obligations and claims of the trust. This risk may arise with income trusts, which include real estate investment trusts ("REITs") and other forms of business trusts. The risk is considered remote. Alberta, Ontario, Saskatchewan, British Columbia and Manitoba have legislation to eliminate this risk in respect of holders of units of trusts that are reporting issuers organized under the laws of such provinces. To the extent that a fund is subject to such claims and such claims are not satisfied by the fund, there is a risk that a unitholder of the fund could be held personally liable for the obligations of the trust. The possibility of a unitholder incurring personal liability of this nature is considered extremely remote.

In addition, most publicly traded trusts other than certain REITs are subject to the rules (the "SIFT Rules") in the *Income Tax Act* (Canada) (the "Tax Act") under which certain income earned by a specified investment flow-through trust or a "SIFT Trust" as defined in the Tax Act, is taxed in the trust at a rate similar to the combined federal and provincial income tax rate paid by a corporation, and distributions of such income to investors are taxed in a manner similar to dividends from a taxable Canadian corporation. REITs that qualify as a "real estate investment trust" as defined in the Tax Act are excepted from the application of the SIFT Rules (the "REIT

Exception”). The REIT Exception contains a number of technical tests and there can be no assurance that any particular REIT in which a fund invests will meet the REIT Exception so that the REIT and its investors, including the Fund, will not be subject to the SIFT Rules.

ORGANIZATION AND MANAGEMENT OF THE SOCIAL HOUSING INVESTMENT FUNDS

<p>MANAGER Encasa Financial Inc. (the “Manager”) Toronto, Ontario</p>	<p>As manager, Encasa Financial Inc. manages the overall business and affairs of the Funds, including providing or arranging for administration services, and the sale of Units of the Funds. In this Simplified Prospectus, we refer to the manager as the “Manager”, “we”, “our”, or “us”.</p>
<p>TRUSTEE RBC Investor Services Trust (“RBC IS”) Toronto, Ontario</p>	<p>The Funds are organized as trusts. When you invest in any of the Funds, you are buying units of a trust. The trustee holds the legal title to the property (the cash and securities) of the Funds on behalf of the Funds. Legal title to the Funds’ property may also be held by the Funds’ custodian, sub-custodians, nominees and book based systems.</p>
<p>PORTFOLIO MANAGER RBC Global Asset Management Inc. (“RBC GAM” or the “Portfolio Manager”) Toronto, Ontario*</p> <p>* Certain portfolio management activities for the Funds are carried out from the Vancouver office of RBC GAM.</p>	<p>The Portfolio Manager carries out research and selects, purchases and sells portfolio securities for the Funds directly.</p>
<p>PRINCIPAL DISTRIBUTOR Phillips, Hager & North Investment Funds Ltd. (the “Distributor”) Vancouver, British Columbia</p>	<p>As principal distributor, Phillips, Hager & North Investment Funds Ltd. markets and distributes the Units of the Funds.</p>
<p>CUSTODIAN RBC IS Toronto, Ontario</p>	<p>As custodian, RBC IS is responsible for holding the assets in the Funds’ portfolios in safekeeping on behalf of the Funds.</p>
<p>REGISTRAR RBC GAM Vancouver, British Columbia</p>	<p>As registrar, RBC GAM keeps track of the owners of Units of each of the Funds, processes purchase, transfer and redemption orders and issues investor statements and annual tax reporting information.</p>
<p>AUDITORS PricewaterhouseCoopers LLP Toronto, Ontario</p>	<p>As Auditors, PricewaterhouseCoopers LLP annually conducts an audit, in accordance with Canadian generally accepted auditing standards, of the financial statements of the Funds to provide assurance that they fairly present, in all material respects, the Funds’ financial position, results of operations and changes in net assets in accordance with International Financial Reporting Standards.</p>
<p>INDEPENDENT REVIEW COMMITTEE</p>	<p>The Funds have established an independent review committee (“IRC”) to review conflict of interest matters brought to it by the Manager, as required by <i>National Instrument 81-107 Independent Review Committee for Investment Funds</i> (“National Instrument 81-107”). In accordance with National Instrument 81-107, the mandate of the IRC is to review and make recommendations with respect to, or in certain circumstances, approve, conflicts of interest matters brought to it by the Manager.</p> <p>The IRC prepares, at least annually, a report of its activities for unitholders, which is available at no cost on the Manager’s website at www.encasa.ca, or at the unitholder’s request by contacting Phillips,</p>

Hager & North Investment Funds Ltd. at 1-888-771-7473 or by email at shsf@phn.com. The 2017 Report is now available.

The IRC consists of three individuals, each of whom is independent of Encasa Financial Inc. and its affiliates. Additional information about the IRC, including the names of its members, is available in the Funds' annual information form.

PURCHASES, SWITCHES AND REDEMPTIONS

Each of the Funds is authorized to issue an unlimited number of series of units. Series B units are offered for sale under this Simplified Prospectus and are referred to as “Units”. Series A units of the Funds are offered under a separate simplified prospectus and annual information form.

You may buy, switch (from one Fund to another) or redeem your Units in a Fund through the Distributor. You may not switch your Units for Series A units. Your minimum initial investment in a Fund must be at least \$1,000 and each subsequent investment must be at least \$1,000 (other than reinvestment of distributions).

The net asset value per unit is calculated each valuation day. The net asset value per unit is calculated by dividing the Fund’s net assets on that day by the number of Units owned by investors. All purchases, switches and redemptions are completed using the net asset value next calculated after receipt by the Fund of the purchase, switch or redemption order. The net asset value will fluctuate with the value of the Fund’s investments. The net asset values are calculated at the close of business on each valuation day in Canadian dollars. For Social Housing Canadian Short-Term Bond Fund and Social Housing Canadian Bond Fund, a valuation day is any day that the Toronto Stock Exchange and Canadian banks are open for business. For Social Housing Canadian Equity Fund, a valuation day is any day that the Toronto Stock Exchange is open for business.

Purchases

Units of each Fund are offered on a continuous basis.

Series B Units may be purchased by co-operative and non-profit organizations, and also by taxable corporations engaged in a social purpose in Canada with the consent of the Manager. In order to purchase Units of a Fund, you may be required to sign a subscription agreement or other documents.

Units of each Fund are purchased in Canadian dollars. The purchase price of each Unit of a Fund is the applicable net asset value per Unit of that Fund on the valuation day the Distributor is deemed to receive your order.

Your purchase order will be deemed to be received on the valuation day on which it is received by the Distributor in its Vancouver office, unless it is received after 4:00 p.m. Eastern Time (and after 1:00 p.m. Eastern Time on December 24, if that day is a valuation day). Purchase orders received after 4:00 p.m. Eastern Time (and after 1:00 p.m. Eastern Time December 24, if that day is a valuation day) will be deemed to be received on the next valuation day and the purchase price will be determined on the basis of the net asset value calculated on that day.

When you place a purchase order for Units of a Fund, full payment for the Units being purchased must accompany the purchase order. Payment may be made by cheque, wire transfer of funds or delivery of securities acceptable to the Portfolio Manager. If a cheque is returned because of insufficient funds, the Fund is deemed to have accepted an order for redemption of the Units on the next valuation day after the Distributor is notified. The Fund will apply the redemption proceeds to reduce the amount owing. If the redemption proceeds exceed the purchase price, the Fund will retain the excess. If the redemption proceeds are less than the purchase price, the Distributor will pay the Fund the amount of the deficiency and then will seek to collect this amount, plus the expense of doing so, from you.

Units of the Funds may be purchased through the Distributor. There are no sales charges or commissions when you buy Units. The entire amount of your purchase will be invested in Units.

The decision to accept or reject an order for Units in a Fund will be made promptly, and in any event within one business day of receipt of the order and all required documentation. In the event that your order is rejected, all of the subscription payment received with your order will be returned immediately to you.

Switches

You can exchange Units of any Fund for Units of another Social Housing Investment Fund by placing an order with the Distributor. You may not switch your Units for Series A units.

Redemptions

You may redeem your Units of a Fund at any time at a redemption price equal to the applicable net asset value per Unit.

In order to redeem or sell your Units of a Fund, additional documents may be needed.

Within two business days after the valuation day your redemption request is received, you will be entitled to receive the redemption proceeds if all necessary documents have been received by the Distributor and payment for the purchase of the Units being redeemed has cleared the Canadian banking system. The date of your redemption request will be the valuation date on which it was received by the Distributor in its Vancouver office, unless the redemption request is received after 4:00 p.m. Eastern Time (and after 1:00 p.m. Eastern Time on December 24, if that day is a valuation day) in which case the date of the request will be deemed to be the next valuation day.

If all documents necessary to complete your redemption request are not received within 10 business days, the Fund is

deemed to have accepted an order for the purchase of the Units on the first valuation day following the 10 day period. If the purchase price exceeds the redemption price, the Distributor will pay the Fund the amount of the deficiency and then will seek to collect this amount, plus the expense of doing so, from you. If the purchase price is less than the redemption proceeds, the Fund will retain the difference.

If a Fund does not have cash available to pay for the Units investors are redeeming, the Portfolio Manager will select securities in the Fund's portfolio to be sold. These sales could be made at times when the securities would not otherwise be sold and will reduce the size, and may reduce the diversity, of the Fund's portfolio.

The Manager may suspend the right of redemption and postpone the date of payment upon redemption for any period, but only in compliance with applicable securities regulatory rules or policies. The right of redemption may be suspended for any period when normal trading is suspended on any stock exchange, options exchange or futures exchange on which securities are listed and traded, or specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of a Fund and if those securities or specified derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund, or with the consent of securities regulatory authorities. While the right to redeem is suspended, purchase orders will not be accepted. If the right to redeem is suspended at any time, you may either withdraw your redemption request or receive payment based on the net asset value per Unit next determined after the termination of the suspension.

SHORT-TERM TRADING

The Manager has implemented policies and procedures to ensure that short-term trading does not take place within the Funds. Trades for the Funds are monitored for short-term trading. An automated query program is run on a daily basis against the Funds that identifies short-term trades that appear to have occurred. This report is generated by staff of RBC GAM acting in its capacity as registrar of the Funds and reviewed by the Manager. The Manager retains the right to reject a purchase of Units by a unitholder who in its opinion is engaging in short-term trading.

OPTIONAL SERVICES

Automatic Reinvestment of Distributions

We automatically reinvest your distributions to purchase additional Units of the same Fund. There is no cost for this service.

FEES AND EXPENSES

The following table lists the fees and expenses that you may have to pay if you invest in the Funds. These are:

- All fees and expenses payable directly by the Funds before their net asset values are calculated (which will therefore reduce the value of your investment in the Funds); and
- All fees and expenses payable directly by you.

These fees and expenses referred to herein are expressed exclusive of applicable Canadian sales taxes.

FEES AND EXPENSES PAID BY THE FUNDS

Management Fees	The Manager will receive an annual management fee based on the average daily net asset value of each series of a Fund, as set out below for each Fund. Where a Fund invests in other mutual funds, there are fees and expenses payable by the other funds in addition to those paid by the Fund, however there will be no duplication of management fees, or sales or redemption fees. The management fee is inclusive of the following services: investment management, custody, unitholder recordkeeping, accounting, registrar and transfer agency services, preparing unitholder reports and other administrative services. From time to time, the Manager may, in its discretion, charge a lower annual fee than indicated below. Any reduction in the annual fee may be temporary in nature and we may subsequently charge the rate indicated below without giving notice to unitholders.
	In some cases, we may reimburse part of the management fee to investors who have made substantial investments in the Funds. The amount of the reimbursement is not negotiable. It is determined by us, at our discretion.
Fund	Annual Management Fee (Series B)
Canadian Short-Term Bond Fund	0.90%
Canadian Bond Fund	1.00%
Canadian Equity Fund	1.20%

Operating Costs and Expenses	Each series of Units of a Fund is responsible for the certain operating expenses, exclusive of the services included in the management fee that relate specifically to that series and for its proportionate share of the operating expenses that are common to all series. These expenses include audit, taxes, legal and filing fees, mortgage service fee and transaction costs, as applicable, and fees and expenses payable in connection with the IRC. Each IRC member receives a per meeting fee of \$1,000 (\$1,500 for the Chair). There is no annual retainer paid to committee members. For the financial year ended December 31, 2017, the following fees were paid to members of the IRC: Brigitte Geisler - \$6,000, Cindy Taylor - \$4,000 and Robert Medland - \$4,000. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties, including reasonable travel and accommodation expenses. The aggregate compensation paid to IRC members and expenses relating to the operation of the IRC paid by the Funds payable by and charged to the Funds during the period ended December 31, 2017 were \$14,000 and \$29,180, respectively. Each Fund's share of the IRC's fees and expenses is disclosed in the relevant Fund's annual financial statements. The Manager can pay for certain Fund expenses from time to time.
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FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

Sales Charge	None
Redemption Fee	None
Short-term Trading Fee	None
Statement Fees	Quarterly statements mailed at no charge. Additional statements available at no charge electronically (through a specified website), otherwise \$20 for each statement mailed to you
Customized Account Reporting Fee	Available at no charge, unless the required information is not available electronically, otherwise \$20 for certain customized account reports sent to eligible unitholders

Unitholders will be given at least 60 days' written notice before any changes are made to the basis of the calculation

of a fee or expense that could result in an increase in charges to a Fund (but approval from unitholders will not be required).

The Funds are required to pay goods and services tax ("GST") or harmonized sales tax ("HST") on management fees and most operating expenses based on the province of residence of the investors in each series of the Fund.

DEALER COMPENSATION

No compensation is paid by us to the Distributor. However, the Portfolio Manager, an affiliate of the Distributor, receives from us fees for providing investment management, advisory and administrative services.

INCOME TAX CONSIDERATIONS FOR INVESTORS

The summary below is of a general nature only and is not exhaustive of all possible income tax considerations. Accordingly, investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units based on their particular circumstances. For this summary, we assume that, for the purposes of the Tax Act and at all relevant times, you (i) are a "taxable Canadian corporation" (as defined in the Tax Act), (ii) deal at arm's length and are not affiliated with the Funds, and (iii) hold your Units as capital property. This summary also assumes that each Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act at all material times. More information is contained in the Funds' annual information form.

Taxation of Your Earnings from the Funds

Mutual funds can make money in a number of ways on your behalf. They can earn income in the form of dividends, interest or other types of returns from the investments they make. A mutual fund may also realize a capital gain if it sells an investment for more than its cost. On the other hand, a mutual fund may realize a capital loss if it sells an investment for less than its cost. A mutual fund may experience gains or losses from derivative activities and, depending on the nature of the activities, these are treated as either income gains or losses or capital gains or losses.

When you buy Units of a Fund just before a distribution date, you will receive the entire distribution even though the Fund may have earned the income or realized the gains relating to the distributions before you owned the Units.

In the description of each Fund we explain the Fund's distribution policy.

The higher a Fund's portfolio turnover rate, the more frequently it realizes taxable capital gains and losses. There is an explanation of *Portfolio Turnover Rate* under that heading on page 12.

How You are Taxed

Distributions

Distributions of net income and the taxable portion of net realized capital gains that are paid or payable to you by a Fund (calculated in Canadian dollars) must be factored into your computation of income for tax purposes, even if they are reinvested in additional Units. The amount of reinvested distributions is added to the aggregate adjusted cost base (the “ACB”) of your Units to reduce your capital gain or increase your capital loss when you later redeem or otherwise dispose of your Units, thereby ensuring you do not pay tax on this amount again.

Redeeming your Units

Redeeming Units of a Fund may affect the taxes you pay if you have a capital gain or a capital loss on your investment. If you redeem Units with a net asset value (the “NAV”) that is greater than the ACB, you will realize a capital gain. If you redeem Units with a NAV that is less than the ACB, you will sustain a capital loss. You may deduct any reasonable expenses of redemption in calculating your capital gains or losses.

You will be generally required to include one-half of capital gains realized in your income for tax purposes as taxable capital gains; and, in general, one-half of your capital losses must be deducted as allowable capital losses from your taxable capital gains in the year. Allowable capital losses in excess of taxable capital gains for the year may generally be carried back up to three years or forward indefinitely and deducted against taxable capital gains in those other years, subject to and in accordance with the applicable rules in the Tax Act.

You are responsible for keeping a record of the ACB of your investment. The aggregate ACB of your Units of a Fund is made up of the amount you paid to acquire Units of the Fund. It is made up of the amounts you paid to purchase your investment in cash plus the amount of any distributions you received from the Fund and reinvested in more Units. You reduce the ACB by the return of capital component (if any) of distributions and by the ACB of Units you have previously redeemed. This record will enable you to calculate any capital gains or capital losses realized when you redeem (or otherwise dispose of) your Units.

Switching between Funds

For tax purposes, switching Units of a Fund for Units of another Fund is considered to be the same as redeeming the Units for cash, even though you actually reinvested the money in Units of another Fund. The same tax rules apply for switching between Funds as for redeeming your Units.

Tax Statements

You will receive a tax statement each year. The Trustee will provide you with T3 tax slips showing the amount and type of distributions – ordinary income, Canadian dividends, capital gains or returns of capital – earned for each Fund. Keep detailed records of the purchase cost, sales charges and distributions related to your investments so you can calculate your ACB or cost amount. We suggest you consult a tax advisor to help you with these calculations.

WHAT ARE YOUR LEGAL RIGHTS?

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

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy Units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Funds. These rights usually must be exercised within certain time limits.

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

ADDITIONAL INFORMATION

Subject to compliance with certain conditions described in *National Instrument 81-102 Investment Funds* and relief granted by Canadian securities regulators, the Funds may invest in a class of securities underwritten by an associate or affiliate of the Portfolio Manager during the distribution and 60-day period after a distribution of that class of securities whether or not such securities are offered pursuant to a prospectus.

Additional information regarding the terms of this relief and other relief that permits the Funds to engage in transactions with related parties is set out in the Annual Information Form under the heading *Investment Restrictions*.

The Funds are required to seek approval or recommendation from the IRC to engage in the transactions with related parties referred to above and other matters considered appropriate or desirable. These matters include changing the auditors of a Fund or reorganizing a Fund by merging it with another Fund managed by the Manager without the approval of unitholders, provided in each case the matter has been approved by the IRC and the unitholders of the Fund have been given written notice at least 60 days before the effective date of the change.

SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS DESCRIBED IN THIS DOCUMENT

General Information

This section provides additional information about the Funds described in this part.

The Portfolio Manager

RBC GAM is the Portfolio Manager for the Funds.

RBC GAM provides among other things, investment counselling services to company pension and multi-employer pension plans, foundations, endowments, corporations, private clients and its own investment funds.

Socially Responsible Investment Principles

The Funds invest primarily in the securities of companies that conduct themselves in a socially responsible manner.

The Funds will invest primarily in the securities of companies that, in the view of the Portfolio Manager, have socially responsible business practices. Using the tools of socially responsible investing, the Portfolio Manager applies financial and social screens to investment decisions.

These would include companies that:

- respect and support the dignity, value and basic human rights of all people to lead healthy, well-nourished lives;
- practice environmental stewardship and show leadership in environmental practices in recognition that the natural environment is a finite resource and the inheritance of future generations;
- value and respect workers' rights and encourage fair and equal employment practices;
- exhibit responsible management practices and adhere to sound corporate governance and risk management practices;
- support and contribute to the development of communities and recognize that communities contribute directly and indirectly to the success of corporate endeavours;
- engage in products and services that do not support the acts of repressive regimes or dissuade from the creation of peaceful and violence free communities.

The Funds intend to avoid the securities of companies that are engaged primarily in the production of and distribution of:

- alcohol;
- tobacco products;
- pornographic materials;
- gaming; and
- military weapons.

The Manager may modify or add to the above investment principles at its discretion to reflect the evolution of community views or social, environmental and other issues or may remove these principles from the investment strategies of a Fund at its discretion.

The Portfolio Manager reviews new investments and regularly reviews existing investments to determine whether they meet these investment principles. The Portfolio Manager may use a third party to assist in conducting these reviews. If one of the Funds holds an investment in a company that does not meet these principles, that investment may be sold. However, the Fund may also continue to hold that investment and the Portfolio Manager may attempt to bring about positive changes to that company's corporate behaviour by discussing the concerns with the company's management or board of directors, by using the voting rights associated with the Fund's investment or by other means that are appropriate in the circumstances.

Direct Impact Investments

Consistent with the foregoing principles for socially responsible investing, each of the Funds may make certain types of impact investments, limited to 2% of the total assets of each Fund at the time the investment is made.

Impact investing is a strategy within socially responsible investing referring to targeted investments, typically made in private markets, aimed at solving social or environmental problems. Impact investing includes community investing, where capital is specifically directed to traditionally underserved individuals or communities, or financing that is provided to businesses with a clear social or environmental purpose, or to enterprising (i.e., revenue-generating) non-profits.

Impact investment may be in a wide variety of securities, including, but not limited to, individual equities, debt instruments and purchases of units of other funds. These investments will be subject to the "*Socially Responsible Investment Principles*".

In selecting impact investments, the Portfolio Manager looks for investments, which, in its opinion, will be most successful in fostering sustainable social, environmental and economic well-being and will have the greatest social and/or environmental impact and value. The potential rate of return will also be used as a factor in the selection process. The Portfolio Manager seeks to make the most prudent selection available ensuring a balance in social and/or environmental impact and rate of return.

**SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS
DESCRIBED IN THIS DOCUMENT**

Investment Risk Classification Methodology

An investment risk level is assigned to each Fund to provide you with information to help you determine whether the Fund is appropriate for you.

The investment risk level of a Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund’s historical volatility as measured by the 10-year standard deviation of the returns of the Fund.

The investment risk level is assigned based on the standard deviation ranges published by the Canadian Securities Administrators (“CSA”) as set out in the table below.

CSA standard deviation ranges and investment risk levels

Standard deviation range	Investment risk level
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

Just as historical performance may not be indicative of future returns, a Fund’s historical volatility may not be indicative of its future volatility. Investors should be aware that other types of risk, both measurable and non-measurable, also exist.

We may increase the investment risk level of a Fund if we determine that it is reasonable to do so in the circumstances. We review the risk rating for each Fund on an annual basis or if there has been a material change to a Fund’s investment objectives or investment strategies.

A more detailed explanation of the methodology is available on request, at no cost, by contacting the Manager at 1-888-791-6671, emailing us at information@encasa.ca or writing to us at Encasa Financial Inc., 119 Spadina Avenue, Suite 400, Toronto, Ontario, M5V 2L1.

Use of Derivatives

The Funds may use instruments referred to as “derivatives”. Derivatives are financial instruments the value of which is derived from an underlying security, a commodity (such as gold or oil) or an index (a measure of value or rates, such as the S&P 500 or the prime lending rate).

Funds may use the following types of derivative instruments consistent with their investment objectives and in accordance with the limits, restrictions and practices of the Canadian securities administrators:

- **Futures** — exchange-traded contracts involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.
- **Forwards** — private contracts involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.
- **Options** — exchange-traded or private contracts involving the right of a holder to sell (a “put”) or buy (a “call”) certain assets (or a money payment based on the change of certain assets or an index) from another party at a specified price within a specified time period.

Derivatives allow the Funds to increase or decrease the level of risk to which the Funds are exposed more quickly and efficiently than transactions in other types of instruments. See “*Derivatives Risk*”.

Portfolio Turnover Rate

The portfolio turnover rate indicates how actively the Fund’s Portfolio Manager manages the Fund’s investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. In any year, the higher a Fund’s portfolio turnover rate, the greater the trading costs payable by the Fund and the larger the capital gains distributions may be. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

Distribution Policy

The distribution policy of the Funds is listed in this section and outlines when the distributions may be made by the Funds. The Funds may change their distribution policy at any time without notice or approval.

Distributions are payable to those who are unitholders of record as at the close of business on the valuation date immediately preceding the distribution date. Distributions are automatically reinvested in additional units of the same series of the relevant Fund.

**SPECIFIC INFORMATION ABOUT EACH OF THE FUNDS
DESCRIBED IN THIS DOCUMENT**

Fund Expenses Indirectly Borne by Investors

This table provides an example of the costs of investing in each Fund. These costs reflect the management expense ratio (“MER”) of the Fund, and are paid out of the Fund’s assets. While you do not pay these costs directly, they do lower the Fund’s returns. See *Fees and Expenses* for each Fund for more information.

The example shows the expenses you would pay if:

- you invested \$1,000 in the Fund for the time periods shown;
- the Fund earned 5% each year; and
- the Fund paid the same MER in all periods as it did in its last financial year.

FUND DETAILS

TYPE OF FUND	Canadian short-term fixed income
SECURITIES OFFERED	Series B Units
START DATE	Series B – November 13, 2014 The Fund was formed on December 17, 2002
PORTFOLIO MANAGER	RBC GAM

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Fund is to obtain a relatively high level of current interest income consistent with preserving capital and maintaining liquidity by investing primarily in Canadian short-term debt instruments.

Approval of a majority of unitholders is required prior to any change in the fundamental investment objective of the Fund.

Investment Strategies

The Fund invests primarily in high-quality debt obligations issued or guaranteed by the Government of Canada, provincial or territorial governments or their agencies, Canadian chartered banks, Canadian loan or trust companies, and Canadian corporations. The Fund may also invest in bonds or other debt instruments which are issued or guaranteed by international or supranational agencies, such as the World Bank, and other foreign issuers.

The Fund will consist primarily of investments rated R-1 and A or higher by Dominion Bond Rating Service Inc. or another approved credit rating agency. The Fund may invest up to 10% of its assets in mortgages guaranteed under the *National Housing Act* (Canada) on property located in Canada. The Fund may also invest in bank-sponsored asset backed commercial paper.

The Fund invests primarily in securities of companies that conduct themselves in a socially responsible manner as outlined on page 11 of this document.

The Fund may participate in the “*Direct Impact Investments*” initiative outlined on page 11 of this document.

The Fund may use derivatives such as options, futures, forward contracts and swaps to hedge against losses caused by changes in securities prices, financial markets, interest

rates and exchange rates. See page 12 for more information on the derivatives that may be used by the Fund.

The Fund’s investment strategies involve active and frequent trading of portfolio securities. For more information about the “*Portfolio Turnover Rate*”, please refer to that heading on page 12.

The maximum exposure to investments in foreign markets is 30%.

The Fund may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. In these circumstances, as a defensive tactic, it may increase its holdings of cash or short-term money market securities.

The investment strategies can be changed from time to time at the discretion of the Fund without unitholder notice or approval.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund’s assets will be invested in fixed income securities. These assets will primarily be subject to the General Market, Fixed Income, Derivatives, Large Investor, Series and Socially Responsible Investing risks described under “General Investment Risks” and “The Specific Risks You May Face” starting on page 2.

The risk level of the Fund is low. For more information, please see “*Investment Risk Classification Methodology*” on page 12 in the first part of this document.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for investors seeking higher levels of current interest income compared to money market fund investments. It would be suitable for investors with a low tolerance for risk. Also, this Fund is suitable for investors who wish to invest primarily in securities of companies that conduct themselves in a socially responsible manner.

DISTRIBUTION POLICY

A distribution of net income (other than net realized capital gains) is made in March, June and September. The remaining net income (including net realized capital gains) is distributed in December.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The table below shows the fees and expenses that would be indirectly borne by an investor with respect to a \$1,000 investment in the Fund over the periods shown, based on the assumption that the Fund's annual performance is a constant 5% per year and the Fund's management expense ratio is 0.85%. See *Fees and Expenses* for more information.

Similar information is shown in the descriptions of other mutual funds contained in this Simplified Prospectus. It allows you to compare the cost of investing in the Fund with the cost of investing in other funds.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Fees and expenses payable over	1 Year	3 Years	5 Years	10 Years
Series B Units	\$8.71	\$27.47	\$48.14	\$109.59

SOCIAL HOUSING CANADIAN BOND FUND

FUND DETAILS

TYPE OF FUND	Canadian fixed income
SECURITIES OFFERED	Series B Units
START DATE	Series B – November 13, 2014 The Fund was formed on December 17, 2002.
PORTFOLIO MANAGER	RBC GAM

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Fund is to generate a relatively high level of total investment return by investing primarily in bonds of Canadian governments and companies.

Approval of a majority of unitholders is required prior to any change in the fundamental investment objective of the Fund.

Investment Strategies

The investments of the Fund are primarily bonds of Canadian governments and companies which do not mature for at least one year and with a rating not lower than BBB by Dominion Bond Rating Service Inc. or another approved credit rating agency. The Fund may also invest in bonds or other debt instruments which are issued or guaranteed by international or supranational agencies, such as the World Bank, and other foreign issuers.

The average term to maturity of the Fund's portfolio is typically five to twelve years.

The Fund may invest up to 10% of its assets in mortgages guaranteed under the *National Housing Act* (Canada) on property located in Canada. The Fund may also invest in bank-sponsored asset backed commercial paper.

The Fund invests primarily in securities of companies that conduct themselves in a socially responsible manner as outlined on page 11 of this document.

The Fund may participate in the "*Direct Impact Investments*" initiative outlined on page 11 of this document.

The Fund may use derivatives such as options, futures, forward contracts and swaps to hedge against losses caused by changes in securities prices, financial markets, interest rates and exchange rates. The Fund may use derivatives for non-hedging purposes to obtain or change exposure to some securities rather than investing directly in a security.

Derivatives may also be used to profit from declines in securities. See page 12 for more information on the derivatives that may be used by the Fund.

The Fund's investment strategies involve active and frequent trading of portfolio securities. For more information about the "*Portfolio Turnover Rate*", please refer to that heading on page 12.

The maximum exposure to investments in foreign markets is 30%.

The Fund may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. In these circumstances, as a defensive tactic, it may increase its holdings of cash or short-term money market securities.

The investment strategies can be changed from time to time at the discretion of the Fund without unitholder notice or approval.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund's assets will be invested in fixed income securities. These assets will primarily be subject to the General Market, Fixed Income, Derivatives, Large Investor, Series and Socially Responsible Investing risks described under "General Investment Risks" and "The Specific Risks You May Face" starting on page 2.

The risk level of the Fund is low. For more information, please see "*Investment Risk Classification Methodology*" on page 12 in the first part of this document.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for investors seeking higher levels of current interest income compared to money market fund investments. It would be suitable for investors with a low tolerance for risk. Also, this Fund is suitable for investors who wish to invest primarily in securities of companies that conduct themselves in a socially responsible manner.

DISTRIBUTION POLICY

A distribution of net income (other than net realized capital gains) is made in March, June and September. The remaining net income (including net realized capital gains) is distributed in December.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The table below shows the fees and expenses that would be indirectly borne by an investor with respect to a \$1,000 investment in the Fund over the periods shown, based on the assumption that the Fund's annual performance is a constant 5% per year and the Fund's management expense ratio is 1.02%. See *Fees and Expenses* for more information.

Similar information is shown in the descriptions of other mutual funds contained in this Simplified Prospectus. It allows you to compare the cost of investing in the Fund with the cost of investing in other funds.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Fees and expenses payable over	1 Year	3 Years	5 Years	10 Years
Series B Units	\$10.46	\$32.96	\$57.77	\$131.50

FUND DETAILS

TYPE OF FUND	Canadian focused equity
SECURITIES OFFERED	Series B Units
START DATE	Series B – November 13, 2014 The Fund was formed on December 17, 2002.
PORTFOLIO MANAGER	RBC GAM

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of the Fund is to seek long-term capital growth by investing primarily in a diversified portfolio consisting of equity securities of companies located in Canada.

Approval of a majority of unitholders is required prior to any change in the fundamental investment objective of the Fund.

Investment Strategies

The Fund generally invests in growth companies that have:

- superior management;
- industry leadership;
- a high level of profitability compared to their competitors;
- a sound financial position;
- strong earnings growth; and
- a reasonable valuation.

The Fund invests primarily in securities of companies that conduct themselves in a socially responsible manner as outlined on page 11 of this document.

The Fund may participate in the “*Direct Impact Investments*” initiative outlined on page 11 of this document.

In addition to equity securities, primarily common shares, the Fund may also buy income trusts, exchange traded funds of broad market indices and securities which are convertible into common shares and may use derivatives. The Fund may from time to time invest a portion of its assets in non-Canadian securities where such an investment is consistent with the investment objectives of the Fund. Although there is no specific limitation on the percentage of the assets of the Fund that may be invested in non-Canadian securities, as of

the date of this simplified prospectus the Fund does not expect to invest more than 40% of its assets in non-Canadian securities.

The Fund may use derivatives to limit potential losses in exchange for lower, more certain investment returns and to enhance returns for the purpose of making a profit. The Fund may use derivatives such as options, futures, forward contracts and swaps to hedge against losses caused by changes in securities prices, financial markets and interest rates. The Fund may use derivatives for non-hedging purposes to obtain or change exposure to some securities and financial markets rather than investing directly in a stock or stock market. Derivatives may also be used to profit from declines in securities and financial markets. See page 12 for more information on the derivatives that may be used by the Fund.

From time to time the Fund may purchase securities of other mutual funds managed by RBC GAM in order to provide exposure to non-Canadian securities. The Fund does not expect to invest more than 40% of its assets in other mutual funds. The other mutual funds in which the Fund invests may engage in securities lending although the Fund will not do so directly.

The Fund may depart temporarily from its fundamental investment objective as a result of adverse market, economic, political or other considerations. In these circumstances, as a defensive tactic, it may increase its holdings of cash, short-term money market securities or bank-sponsored asset backed commercial paper.

The investment strategies can be changed from time to time at the discretion of the Fund without unitholder notice or approval.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund’s assets will be invested primarily in equity securities and derivatives. These assets will primarily be subject to the General Market, Equities, Liquidity, Information and Valuation, Derivatives, Currency, Large Investor, Series, Securities Lending, Socially Responsible Investing and Trust Investment risks described under “General Investment Risks” and “The Specific Risks You May Face” starting on page 2.

During the last 12 months up to 30.9% of the net assets of the Fund were invested in units of Philips, Hager & North Community Values Global Equity Fund. If the Fund concentrates its investments in a particular issuer or issuers, an investment in the Fund will also involve Concentration risk.

The risk level of the Fund is low. For more information, please see “*Investment Risk Classification Methodology*” on page 12 in the first part of this document.

WHO SHOULD INVEST IN THIS FUND?

This Fund is suitable for investors seeking exposure to investments in quality, primarily Canadian, growth companies. It would be suitable for investors with a medium tolerance for risk. Also, this Fund is suitable for investors who wish to invest primarily in securities of companies that conduct themselves in a socially responsible manner.

DISTRIBUTION POLICY

Each December the Fund distributes its net income (including net realized capital gains). Distributions may also be made at other times during the year.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The table below shows the fees and expenses that would be indirectly borne by an investor with respect to a \$1,000 investment in the Fund over the periods shown, based on the assumption that the Fund’s annual performance is a constant 5% per year and the Fund’s management expense ratio is 1.30%. See *Fees and Expenses* for more information.

Similar information is shown in the descriptions of other mutual funds contained in this Simplified Prospectus. It allows you to compare the cost of investing in the Fund with the cost of investing in other funds.

Based on the above assumptions, your costs would be as shown in the table below. Your actual costs, of course, may be higher or lower.

Fees and expenses payable over	1 Year	3 Years	5 Years	10 Years
Series B Units	\$13.33	\$42.01	\$73.63	\$167.60

Social Housing Canadian Short-Term Bond Fund
Social Housing Canadian Bond Fund
Social Housing Canadian Equity Fund

Manager of the Social Housing Investment Funds:

Encasa Financial Inc.
119 Spadina Avenue
Suite 400
Toronto, Ontario
Phone: 1-888-791-6671

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

You can get a copy of these documents, at your request, and at no cost, by contacting Phillips, Hager & North Investment Funds Ltd. at 1-888-771-7473 or by e-mail at shsf@phn.com or on the Managers' website at www.encasa.ca.

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