Important Tax Notice to U.S. Investors

This statement is provided for Investors who are United States persons for purposes of the U.S. Internal Revenue Code of 1986, as amended ("IRC") and the regulations thereunder. It is not relevant to other Investors.

MD Select Fund (The “Fund”) may be deemed to be classified as a Passive Foreign Investment Corporation ("PFIC") as defined in Section 1297(a) of the IRC for the year ended December 31, 2016.

We recommend that all U.S. taxpayer clients consult a tax advisor concerning the overall tax consequences of their ownership of the Fund and their U.S. tax reporting requirements. You can also find information on U.S. tax rules applicable to investments in a PFIC on the IRS website, www.irs.gov, by searching “Form 8621 Instructions”.

Please find below a Passive Foreign Investment Company ("PFIC") Annual Information Statement ("AIS") for the Fund. The PFIC Annual Information Statement is being provided pursuant to the requirements of Treasury Regulation §1.1295-1(g)(1). The PFIC AIS contains information to enable you, should you so choose based on the advice of your tax advisors in light of your personal tax circumstances, to elect to treat the Fund as a qualified electing fund ("QEF").

Generally, an election is filed for each mutual fund on which you wish to make a QEF election. If you hold a MD Investments fund that holds one or more underlying funds, you will receive combined PFIC AISs containing information that will enable you to elect to treat any or all of the funds as a QEF as you choose, as well as information relating to your securities and values in your indirect holdings.

Please be aware that cash and property distributions reported on the PFIC AIS are converted into U.S. dollars based on the U.S. Federal Reserve spot rate in effect on the date the distribution is paid. We recommend that clients who do not file U.S. federal income tax returns on a cash basis consult tax advisors regarding the appropriate U.S. dollar conversion rate.

Note that the information attached with this letter is intended to help you make one or more QEF elections, if you decide to do so, and neither such information nor this letter constitutes tax advice. The taxpayer should seek advice based on the taxpayer’s particular circumstances from an independent tax advisor.

If you have any questions regarding this matter, please contact your Financial Advisor and/or, a U.S. tax advisor or go to www.md.cma.ca for more information. Thank you for investing in MD Funds.
1) This Information Statement applies to the taxable year of the Fund for the year beginning January 1, 2016 and ending on December 31, 2016.

2) The per unit amount of ordinary earnings and net capital gains for each Series of the Fund for the period specified in paragraph (1) is as follows:

<table>
<thead>
<tr>
<th>Series</th>
<th>Ordinary Earnings (US$)</th>
<th>Net Capital Gains (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A</td>
<td>$0.25660</td>
<td>$0.00000</td>
</tr>
<tr>
<td>Series I</td>
<td>$0.49291</td>
<td>$0.00000</td>
</tr>
<tr>
<td>Series T</td>
<td>$0.15250</td>
<td>$0.00000</td>
</tr>
</tbody>
</table>

To determine your pro-rata share of the amounts above, multiply the amounts by the number of units of each Series you held during the year.

i. If you owned the same number of units from January 1, 2016 through December 31, 2016, multiply the number of such units by the amounts above.

ii. If you did not own the same number of units from January 1, 2016 through December 31, 2016, multiply the number of units you owned by the amounts above as well as by the number of days the units were held in 2016 and divide the result by 366.

Example 1: On January 1, 2016, you acquired 10,000 units of Series A which earned $0.25660 ordinary earnings per unit and $0.00000 net capital gains per unit, and held them throughout the year. Your pro-rata share of Series A’s ordinary earnings and net capital gains would be US$2,566.00 (i.e., 10,000 units x $0.25660) and US$0.00 (i.e., 10,000 units x $0.00000) respectively.

Example 2: On July 1, 2016, you acquired 10,000 units of Series I which earned $0.49291 ordinary earnings per unit, and $0.00000 net capital gains per unit, and held them throughout the remainder of the year (184 days). Your pro-rata share of Series I’s ordinary earnings and net capital gains per unit would be US$2,478.02 (i.e., 10,000 units x $0.49291 x 184/366) and US$0.00 (i.e., 10,000 units x $0.00000 x 184/366) respectively.

Example 3: On August 1, 2016, you acquired another 2,000 units of Series A in addition to the 10,000 units in example 1 and held 12,000 units for the remainder of the year, (153 days.) Your total pro-rata share of Series A’s ordinary earnings would be US$2,780.54 ($2,566.00 + (2,000 units x $0.25660 x 153/366)). Your total pro-rata share of Series A’s net capital gains would be US$0.00 ($0.00 + (2,000 units x $0.00000 x 153/366)).

3) The per unit amount of cash distributions¹ and property distributions for each Series of the Fund for the period specified in paragraph (1) is as follows:²

<table>
<thead>
<tr>
<th>Series</th>
<th>Property Distributions (US$)</th>
<th>Cash Distributions (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A</td>
<td>$0.09334</td>
<td>$0.00000</td>
</tr>
<tr>
<td>Series I</td>
<td>$0.41013</td>
<td>$0.00000</td>
</tr>
<tr>
<td>Series T</td>
<td>$0.25886</td>
<td>$0.00000</td>
</tr>
</tbody>
</table>

¹ Cash distributions only represent distributions in U.S. currency. Distributions in Canadian currency are reported as property distributions for U.S. tax purposes.
² Distributions represent average distributions that are not reinvested in the fund. If you have elected to reinvest your distributions, the above amount may not be reflective of the actual distribution amount you received during the year. If you have made a QEF election, your basis in your fund securities is based on your investment in the fund before the election, plus your share of ordinary earnings and/or net capital gains less the actual distributions you have received during the year. You should consult your U.S. tax advisor to determine your basis in the fund securities during the year.
To determine your pro-rata share of the amounts above, multiply the amounts by the number of units of each Series you held during the year.

i. If you owned the same number of units from January 1, 2016 through December 31, 2016, multiply the number of such units by the amounts above.

ii. If you did not own the same number of units from January 1, 2016 through December 31, 2016, multiply the number of units you owned by the amounts above as well by the number of days the units were held in 2016 and divide the result by 366.

4) The Fund will, upon receipt of a request, permit you to inspect and copy its permanent books of account, records, and other such documents as may be maintained by the Fund to establish that the ordinary earnings and net capital gains are computed in accordance with U.S. income tax principles under IRC Section 1293 and to verify these amounts and the U.S. Investor’s pro-rata share thereof.

By:  (signed “Eileen Maltinsky”)
Title:  Vice President, Taxation Services
Date:  March 10, 2017

THIS INFORMATION CONTAINED HEREIN IS TAKEN FROM THE AUDITED FINANCIAL STATEMENTS OF THE VARIOUS FUNDS AND IS PROVIDED IN ORDER TO ASSIST INVESTORS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. COPIES OF THE FINANCIAL STATEMENTS ARE AVAILABLE ON THE WWW.MD.CMA.CA. INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF UNITS ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.

The information contained in this document is not intended to offer foreign or domestic taxation, legal, accounting or similar professional advice, nor is it intended to replace the advice of independent tax, accounting or legal professionals. Incorporation guidance is limited to asset allocation and integrating corporate entities into financial plans and wealth strategies. Employees of the MD Group of Companies are not authorized to make any determination of a client’s U.S. status or tax filing obligations, whether foreign or domestic. The MD ExO® service provides financial products and guidance to clients, delivered through the MD Group of Companies (MD Financial Management Inc., MD Management Limited, MD Private Trust Company, MD Life Insurance Company and MD Insurance Agency Limited). For a detailed list of these companies, visit md.cma.ca. MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. MD Financial Management Inc. is owned by the Canadian Medical Association.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed. Their values change frequently and past performance may not be repeated. To obtain a copy of the prospectus, please call your MD Advisor, or the MD Trade Centre at 1 800 267-2332. The MD Family of Funds is managed by MD Financial Management Inc., a CMA company.