INVESTMENT OBJECTIVES

The investment objective of the Barometer Global Macro Pool (Global Macro Pool) is to generate income and achieve long-term capital appreciation by primarily investing in exchange traded funds (ETFs). The Global Macro Pool’s potential investments are not restricted by market capitalization size or sector. However, due to strict liquidity requirements, investments are focused in actively traded ETFs both long and short. The Global Macro Pool may use commodity ETFs and inverse ETFs for hedging and non-hedging purposes.

The Global Macro Pool offers class A, class F and class O units to potential investors. The Global Macro Pool currently qualifies as a mutual fund trust for purposes of the Income Tax Act (Canada) such that units of the Global Macro Pool are qualified investments for registered plans.

PORTFOLIO CONSTRUCTION

The Global Macro Pool is a tactical approach that uses quantitative analysis and technical indicators in response to market momentum. The main objective is identifying leading ETFs in leading sectors while primarily short selling weaker ETFs in lagging sectors. The Global Macro Pool is not restricted by market capitalization size or sector; however, due to strict liquidity requirements, the Global Macro Pool is focused in actively traded securities and ETFs.

INVESTMENT PHILOSOPHY & STYLE

Style
Barometer’s Disciplined Leadership Approach™ is an active, style agnostic process focused on understanding the current market environment and recognizing change. The approach focuses on identifying trends at play in the marketplace and concentrating portfolio investments in ETFs, both long and short, to gain the desired exposure for as long as those trends remain intact. This approach also places particular emphasis on protection of capital. By consistently monitoring for change, applying a disciplined selling strategy and making tactical use of cash, it attempts to protect portfolios from staying invested in unproductive assets or during pervasive market weakness.

Investment Process
Top-down market and sector risk assessment models are used to establish an asset allocation strategy. The Global Macro Pool uses a systematic process to continuously seek improving or deteriorating relative strength across multiple asset classes, geographies, themes, sectors and currencies globally using a strict buy/sell discipline. This strategy is continually reassessed to manage the allocation of long/short exposures versus cash and short-term deposits. By combining this tactical approach with quantitative ETF selection analysis, ETFs that are leaders are identified for long candidates or laggards for short sale candidates. The Global Macro Pool also works to provide consistent absolute returns coupled with a low correlation to both the S&P/TSX Composite Index and the S&P 500 Index.

Research
The majority of research is conducted internally and utilize a quantitative ranking model to identify key macro themes and relevant ETFs that could provide appropriate long or short exposure.
**INVESTMENT STRATEGIES**

Barometer’s Disciplined Leadership Approach™ is used to manage the investment portfolio of the Global Macro Pool. In addition, the following investment strategies are used to achieve the Global Macro Pool’s investment objective:

- Primarily invest the Global Macro Pool’s assets in global equity ETFs displaying clearly defined characteristics deemed favourable;
- Seek out global ETFs that we believe offer the opportunity for substantial growth and gains through capital appreciation and/or income;
- The Global Macro Pool may hold a significant percentage of its assets in short-term fixed income securities or cash for defensive purposes;
- May significantly overweight or underweight certain sectors of the market relative to the Global Macro Pool’s investment objective depending on the view of sector-specific risk;
- May actively turn over the Global Macro Pool’s investment portfolio, resulting in greater potential capital gains distributions to unitholders;
- May use both long and short ETFs to gain the desired exposure for as long as those trends remain intact;
- May use commodity ETFs and inverse ETFs for hedging and non-hedging purposes;
- May use alternative assets, including ETFs, that invest in alternative options to generate income or to hedge against losses caused by changes in stock prices or currency exchange rates; and,
- May engage in securities lending transactions to seek enhanced returns, but will only do so if there are suitable counter-parties available and the transactions are considered appropriate.

**RISKS**

An investment in units of the Global Macro Pool may expose an investor to risks similar to those of securities, such as, equity risk, liquidity risk, currency risk, regulatory risk, foreign investment risk, derivatives risk, multi-class risk and securities lending risk. It may invest in underlying ETFs, which may include open-end ETFs and closed-end funds. The Global Macro Pool’s investment in an underlying ETF may subject the Global Macro Pool indirectly to the underlying risks of that ETF. The Global Macro Pool will also incur its share of the underlying ETF’s fees and expenses, which are in addition to the Global Macro Pool’s own fees and expenses.

The Global Macro Pool may be appropriate for investors who are seeking capital growth and a clearly defined, disciplined approach to investing in ETFs with a long-term investment horizon (i.e., in excess of five (5) years) and who have a medium-high risk tolerance.

For complete details of the Pool and the associated risks, please refer to the Barometer Private Pools Offering Memorandum.