



**PRO FORMA SIMPLIFIED PROSPECTUS**

**BAROMETER GROUP OF FUNDS**

**Equity Fund**

Barometer Global  
Equity Fund  
(Class A, F and I units)

**Income Fund**

Barometer Disciplined Leadership  
Tactical Income Growth Fund  
(Class A, F and I units)

**Balanced Fund**

Barometer Disciplined  
Leadership Balanced Fund  
(Class A, F and I units)

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

February 21, 2024

## TABLE OF CONTENTS

	Page
<b>INTRODUCTION.....</b>	<b>1</b>
<b>RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION .....</b>	<b>2</b>
Trustee and Manager.....	2
Portfolio Advisor .....	3
Brokerage Arrangements .....	3
Custodian .....	4
Recordkeeper and Valuation Agent .....	5
Auditor .....	6
Securities Lending Agent.....	6
Independent Review Committee and Fund Governance.....	6
Policies and Practices.....	8
Remuneration of Directors and Officers and Trustees .....	10
Material Contracts.....	10
Designated Website .....	11
<b>VALUATION FOR PORTFOLIO SECURITIES.....</b>	<b>11</b>
<b>CALCULATION OF NET ASSET VALUE .....</b>	<b>13</b>
<b>PURCHASES, SWITCHES AND REDEMPTIONS .....</b>	<b>14</b>
Calculation of the Price of a Unit .....	14
Purchases.....	15
Reclassifications .....	16
Switches .....	16
Redemptions .....	17
Short-Term Trading .....	19
<b>OPTIONAL SERVICES.....</b>	<b>20</b>
Systematic Investment Plan .....	20
Automatic Withdrawal Plan .....	20
Automatic Reinvestment of Distributions.....	20
<b>FEES AND EXPENSES.....</b>	<b>20</b>
Fees and Expenses Payable by the Funds .....	20
Fees and Expenses Payable Directly by You.....	24
<b>DEALER COMPENSATION .....</b>	<b>25</b>
Sales Commission .....	25
Trailer Fee.....	25
Other Forms of Dealer Support.....	25
<b>INCOME TAX CONSIDERATIONS .....</b>	<b>26</b>
Income Tax Considerations for the Funds .....	26
Income Tax Considerations for Investors .....	27
<b>WHAT ARE YOUR LEGAL RIGHTS? .....</b>	<b>31</b>
<b>CERTIFICATE OF BAROMETER GROUP OF FUNDS, THE MANAGER AND THE PROMOTER .....</b>	<b>32</b>
<b>SPECIFIC INFORMATION ABOUT EACH FUND DESCRIBED IN THIS DOCUMENT .....</b>	<b>33</b>
<b>WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A</b>	

**MUTUAL FUND? ..... 33**  
    What is a Mutual Fund? ..... 33  
    What are the Risks of Investing in a Mutual Fund? ..... 34  
**INVESTMENT RESTRICTIONS AND PRACTICES OF THE FUNDS ..... 42**  
**DESCRIPTION OF SECURITIES OFFERED BY THE FUNDS ..... 43**  
**NAME, FORMATION AND HISTORY OF THE FUNDS ..... 46**  
**INVESTMENT RISK CLASSIFICATION METHODOLOGY ..... 47**  
**INFORMATION APPLICABLE TO ONE OR MORE FUNDS ..... 49**  
    BAROMETER GLOBAL EQUITY FUND ..... 54  
    BAROMETER DISCIPLINED LEADERSHIP TACTICAL INCOME GROWTH FUND  
    ..... 56  
    BAROMETER DISCIPLINED LEADERSHIP BALANCED FUND ..... 59

## INTRODUCTION

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor in the Barometer Group of Funds. In this simplified prospectus:

- **we, us, our** and **Barometer** refers to Barometer Capital Management Inc., which is the manager, trustee and portfolio advisor of the Barometer Group of Funds. The organization and management of the Barometer Group of Funds is described on pages 2 to 3.
- **you** refers to the registered or beneficial owner of a security of one or more of the Barometer Group of Funds.

**Barometer Group of Funds, Funds** or **Fund** refers to all or one of the mutual funds offered to the public by Barometer pursuant to this simplified prospectus.

This simplified prospectus is divided in two parts:

The first part, from pages 1 to 31, contains general information applicable to all of the Barometer Group of Funds. The second part, from pages 32 to 60, contains specific information about each of the Funds described in this document.

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

- the most recently filed fund facts;
- the most recently filed annual financial statements;
- any interim financial statements 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 those annual management reports 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 receive a copy of all these documents, at your request and at no cost, by contacting Barometer toll free at 1-866-601-6888, [emailing info@barometercapital.ca](mailto:info@barometercapital.ca) or from your dealer or advisor.

You may also find these documents on our designated website at [www.barometercapital.ca](http://www.barometercapital.ca).

These documents and other information about the Barometer Group of Funds are also available on the internet at [www.sedarplus.ca](http://www.sedarplus.ca).

## RESPONSIBILITY FOR MUTUAL FUND ADMINISTRATION

### Trustee and Manager

Barometer Capital Management Inc. is the trustee and manager of each Fund. Barometer's office is located at 181 Bay Street, Suite 3220, Toronto, Ontario, M5J 2T3. The toll-free number is 1-866-601-6888, the e-mail is [info@barometercapital.ca](mailto:info@barometercapital.ca) and the designated website is [www.barometercapital.ca](http://www.barometercapital.ca).

As the manager of the Funds, Barometer has the authority and responsibility to manage the day-to-day operations of the Funds and to manage the offering of units of the Funds.

Each Fund is organized as a mutual fund trust. When you invest in units of a Fund you are buying units of a mutual fund trust. As the Trustee of the Fund, Barometer holds actual title to the property of each Fund on behalf of that Fund's unitholders.

The master declaration of trust dated January 1, 2013 (the **Master Declaration of Trust**), and the supplemental declaration of trust specific to each Fund (each a **Supplemental Declaration of Trust** and together with the Master Declaration of Trust, the **Declaration of Trust**, for that Fund) sets out the powers of Barometer with respect to that Fund and contains the following key terms:

- Barometer has agreed to perform certain duties in relation to being the manager, trustee and portfolio advisor of that Fund;
- Barometer is entitled to a management fee and a performance fee as set out in the simplified prospectus of the Funds;
- Barometer, as trustee, will be reimbursed for all expenses of that Fund paid by Barometer, in its capacity as trustee;
- each Fund has agreed to indemnify Barometer and other parties subject to certain limitations and restrictions; and
- Barometer may in its discretion and without unitholder approval terminate that Fund.

In addition, Barometer has the right to resign as trustee of the Funds by giving notice to unitholders of the Funds in accordance with the Declaration of Trusts of the Funds. If Barometer resigns as trustee or is removed as manager, Barometer shall appoint a new trustee. If, after the resignation of Barometer as trustee or its removal as manager, no successor trustee has been appointed within ninety (90) days, any unitholder may apply to a court of competent jurisdiction for the appointment of a successor trustee.

Under applicable securities regulations, any change of the manager of the Funds (other than to an affiliate of Barometer) or any change of control of Barometer will require the approval of the securities regulatory authorities.

The following table lists information regarding the directors and executive officers of Barometer.

Name and Municipality of Residence	Position with Barometer
David Burrows (Toronto, Ontario)	Chairman, Ultimate Designated Person, Chief Executive Officer, Chief Investment Officer
Geoffrey Spidle (Oakville, Ontario)	President, Director
Ron Kelterborn (Niagara-on-the-Lake, Ontario)	Chief Compliance Officer
Paul Tesolin (Georgetown, Ontario)	Chief Financial Officer
Peter McCarthy (Toronto, Ontario)	Director

Each director and executive officer is responsible for managing and supervising the business and affairs of Barometer. The Funds, as mutual funds constituted as trusts, do not have any directors or officers. As noted, Barometer is also the trustee for each Fund. The trustee holds the assets of each Fund in trust on behalf of the unitholders of the Funds. Barometer is not paid a fee for acting as trustee of the Funds.

### Portfolio Advisor

Barometer also provides portfolio management services to each Fund pursuant to that Fund's Declaration of Trust. Under the Declaration of Trust of each Fund, Barometer is responsible for managing the investment portfolio of that Fund, including providing or arranging for the provision of investment analysis, and making decisions relating to the investments of the assets of that Fund. Decisions as to the purchase and sale of portfolio securities of a Fund and decisions as to the execution of all portfolio transactions are also made by Barometer.

The following individuals primarily make the investment decisions and are principally responsible for the day-to-day management of the material portion of the portfolio for the Funds.

Name	Title with the Portfolio Advisor
David Burrows	Chief Investment Officer
Demetrius Schetakis	Senior Portfolio Manager

### Brokerage Arrangements

When placing securities order for and on behalf of a Fund, Barometer will only use those brokers

and dealers from whom it can reasonably expect to obtain best execution (after considering all transaction costs and research or other benefits).

Barometer's general policy in selecting a broker to effect a transaction is to seek to obtain prompt and efficient execution at the best obtainable price with payment of reasonable commissions or spreads in relation to the value of the brokerage services provided.

For transactions in fixed-income securities, brokers are typically selected on the basis of security price, availability of the security, coverage of the security and the quality of research.

External research provides a diverse perspective on financial markets and therefore improves the quality of investment advice. Research services received are available for the general benefit of all accounts managed by Barometer. These services are most often paid for using a portion of the commissions paid to brokers to execute portfolio transactions which may result in a higher commission or spread being paid to these brokers. In most cases, research is produced and provided by full-service brokers. In these cases the cost of research is embedded in the commission paid. Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, Barometer will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Where brokerage transactions involving a Fund have been or might be directed to a broker in return for the provision of any good or service by the broker or a third party, other than order execution, the names of such brokers or third parties are available to investors free of charge upon request by calling us toll-free at 1-866-601-6888, or by writing to us at 181 Bay Street, Suite 3220, Toronto, Ontario, M5J 2T3.

### **Custodian**

CIBC Mellon Trust Company of Toronto, Ontario has been appointed the custodian of each Fund (the **Custodian**) pursuant to a custody agreement between Barometer and the Custodian dated as of January 1, 2014, as amended by an amending agreement no. 1 made as of November 5, 2014 and an amending agreement no. 2 made as of December 23, 2014. The custody agreement sets out the duties of the Custodian with respect to the Funds. The Custodian is generally responsible for holding and maintaining information regarding all securities held by the Funds. The Custodian holds the Funds' securities and other portfolio assets, including cash on deposit with financial institutions, on behalf of the Funds. The custodian agreement includes the following key terms:

- the Custodian has agreed to perform certain custodial services for the Funds;
- the Custodian is entitled to a fee, as agreed to with Barometer;
- the Funds have agreed to indemnify the Custodian subject to regulatory limitations and restrictions; and
- either party may terminate the agreement on 30 days prior written notice to the other party.

The Custodian may appoint sub-custodians to provide for the safekeeping of portfolio securities of the Funds located outside Canada. Such sub-custodians, if needed, enter into sub-custodianship

agreements with the Custodian on terms and conditions substantially consistent with the terms and conditions in the custody agreement. The principal sub-custodian of the Custodian is The Bank of New York Mellon. The head office of The Bank of New York Mellon is in New York, New York.

### **Recordkeeper and Valuation Agent**

SGGG Fund Services Inc. (**SGGG** or the **Recordkeeper**) is the recordkeeper and the valuation agent of each Fund pursuant to a valuation services agreement and a recordkeeping services agreement. The Recordkeeper is responsible for maintaining the register of owners of the units of the Funds. The register of units of the Funds is kept in Toronto, Ontario at the head office of the Recordkeeper. In addition, as the valuation agent of the Funds, SGGG will be responsible for calculating the net asset value (**NAV**) of each Fund and for Fund accounting.

The valuation services agreement entered into between Barometer and SGGG and dated October 19, 2012, includes the following key terms:

- SGGG has agreed to perform certain valuation and fund accounting services for each Fund;
- SGGG is entitled to a fee, as agreed to with Barometer;
- Barometer has agreed to indemnify SGGG, subject to regulatory limitations and certain restrictions;
- the agreement may be immediately terminated by SGGG if: (i) fees that are due are not paid within the appropriate time period; (ii) SGGG has given notice of the non-payment; and (iii) Barometer has not made the payment within three (3) business days of receipt of such notice;
- the agreement may be immediately terminated by Barometer if: (i) SGGG is in breach of the agreement; (ii) Barometer has notified SGGG of the breach; and (iii) SGGG has not remedied the breach within three (3) business days; and
- other than as outlined above, the agreement may be terminated by either party at any time on three (3) months written notice.

The recordkeeping services agreement entered into between Barometer and SGGG and dated October 19, 2012, includes the following key terms:

- SGGG has agreed to perform certain recordkeeping and fund accounting services for each Fund;
- SGGG is entitled to a fee, as agreed to with Barometer;
- Barometer has agreed to indemnify SGGG, subject to regulatory limitations and certain restrictions;
- the agreement may be immediately terminated by SGGG if (i) fees that are due are

not paid within the appropriate time period; (ii) SGGG has given notice of the non-payment; and (iii) Barometer has not made the payment within three (3) business days of receipt of such notice;

- the agreement may be immediately terminated by Barometer if (i) SGGG is in breach of the agreement; (ii) Barometer has notified SGGG of the breach; and (iii) SGGG has not remedied the breach within three (3) business days; and
- other than as outlined above, the agreement may be terminated by either party at any time on three (3) months written notice.

### **Auditor**

KPMG LLP is the independent auditor (the Auditor) of each Fund and is responsible for auditing the annual financial statements of the Funds. The Auditor is responsible for expressing an opinion on the annual financial statements of the Funds based on their audit as to whether or not the financial statements of the Funds comply, in all material respects, with International Financial Reporting Standards (IFRS). The head office of the Auditor is located in Toronto, Ontario.

### **Securities Lending Agent**

The Bank of New York Mellon is the lending agent (the **Lending Agent**) of the Funds and CIBC Mellon Global Securities Services Company is the administrator of the lending program (the **Lending Administrator**) of the Funds. The Lending Administrator enters into securities lending transactions on behalf of the Funds pursuant to a lending authorization dated May 20, 2014 (the **Lending Authorization**), which requires securities lending transactions to include a provision of collateral that is equal to 105% of the market value of the loaned securities if the collateral is non-cash collateral and a provision of collateral that is equal to 102% of the market value of the loaned securities if the collateral is cash collateral. The Lending Authorization includes reciprocal indemnities by: (i) each of the Funds and parties related to the Funds and (ii) the Lending Agent, the Lending Administrator and parties related to the Lending Agent, for failure to perform the obligations under the Lending Authorization, inaccuracy of representations in the Lending Authorization or fraud, bad faith, willful misconduct or disregard of the duties as set out in the Lending Authorization. The Lending Authorization may be terminated by any party upon 30 days' prior notice. The head office of the Lending Agent is located in New York, New York and the head office of the Lending Administrator is located in Toronto, Ontario. The Lending Agent and the Lending Administrator are not affiliates or associates of Barometer.

### **Independent Review Committee and Fund Governance**

#### *Manager and Trustee*

Governance of the Funds is achieved in several ways:

- Barometer, as trustee, will exercise its powers and discharge its duties honestly, in good faith and in the best interest of each Fund and in connection therewith shall exercise the degree of care, diligence and skill that a reasonable person would exercise in the circumstances.

- The board of directors of Barometer is responsible for the compliance by Barometer with the terms of the Declaration of Trust of each Fund and the requirements of relevant legislation applicable to investment management and the offering of units of each Fund.
- The board of directors of Barometer has established the policies and procedures described below, receives reports regarding compliance with such policies and procedures at least annually, including the consequences for employees resulting from non-compliance and revises the policies and procedures from time to time as appropriate.

Barometer has established policies and procedures designed to recognize Barometer's obligation to act in the best interest of the Funds and their unitholders and to place their interests ahead of its own. These policies include such topics as a code of ethics and conduct, personal and insider trading codes, privacy codes and conflict of interest policies addressing allocation of investments, allocation of costs, inter-fund trades, trades in related issuers, best-execution/soft dollars, correction of NAV errors and trades in underwritten securities by dealer-managed mutual funds. The board of directors of Barometer receives reports regarding compliance with such policies and procedures at least annually, including the consequences for employees resulting from non-compliance and revises the policies and procedures from time to time as appropriate.

Each officer and employee of Barometer is required to certify annually that such person has read Barometer's compliance manual, which is designed to provide its officers and employees with an awareness of the requirements of the law governing the Funds, the offering of its units, and advisors, dealers and other market participants providing services to the Funds and to provide a procedural means to ensure Barometer's operations meet these requirements. These procedures establish an appropriate system of internal controls and include designation of employees responsible for meeting the various aspects of the Fund's and Barometer's regulatory requirements, including reporting and filing obligations.

Barometer markets the Funds and other investment products sponsored by Barometer to dealers and advisors. In doing so, Barometer requires employees involved in the marketing function to become knowledgeable regarding regulatory limitations and requires marketing material to be reviewed by compliance officers and where appropriate outside legal advisors. The review is designed to ensure that full and fair disclosure of the material facts are made to potential investors.

#### *Independent Review Committee*

As required by applicable securities legislation, Barometer has established an independent review committee (the **IRC**) for the Funds, managed by Barometer, and to which National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* applies. The IRC is composed of Art Mannarn, Barry J. Myers (Chairman) and Stephen Gerry, each of whom is independent of Barometer and its affiliates.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to Barometer on conflicts of interest to which Barometer is subject when managing the Funds. Barometer is required under NI 81-107 to identify conflicts of interest inherent in its management

of the Funds, and request input from the IRC into how it manages those conflicts of interest, as well as its written policies and procedures outlining its management of those conflicts of interest. The IRC provides its recommendations to Barometer with a view to the best interests of the Funds. The IRC will report annually to unitholders of the Funds as required by NI 81-107.

The compensation and other associated costs of the IRC, as well as the other costs of complying with NI 81-107, will be paid out of the assets of each Fund for which the IRC acts as an independent review committee. Barometer, at its discretion, will allocate such costs between the Funds.

Certain reorganizations of the Funds or transfers by the Funds of its assets to another mutual fund will not require the approval of unitholders provided certain factors are met. Such factors include, obtaining the approval of the IRC, as well as delivering a written notice to unitholders of the Funds describing such activities at least 60 days before the effective date of the reorganization or transfer. In addition, the auditor of the Funds may not be changed unless the IRC has approved the change in accordance with NI 81-107, and a written notice describing the change is sent to unitholders of the Fund at least 60 days before the effective date of the change.

The IRC prepares, at least annually, a report of its activities for unitholders of the Funds which will be available on Barometer's designated website at [www.barometercapital.ca](http://www.barometercapital.ca) or, at the request of unitholders at no cost, by calling toll-free 1-866- 601-6888 or by email at [info@barometercapital.ca](mailto:info@barometercapital.ca).

## **Policies and Practices**

### Derivatives

The Funds may use derivatives. Derivatives are used by the Funds only as permitted by applicable securities legislation. Barometer maintains policies and procedures (including risk management procedures), trading limits and controls relating to such use of derivatives. These policies, procedures, limits and controls are set and reviewed from time to time by one or more officers designated by Barometer, who also generally review the risks associated with specific derivatives trading decisions.

### Short Selling

The Funds may, from time to time, engage in short selling in a manner consistent with their investment objectives and as permitted by applicable securities legislation. Where a Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. At the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed five percent (5%) of the total assets of the Fund and the aggregate market value of all securities sold short by the Fund will not exceed 20% of its total assets. A Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. A Fund also will hold cash cover in an amount, including the Fund's assets deposited with lenders that are at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis.

Barometer and the Custodian have in place policies and procedures relating to short selling by the Funds. Any agreements, policies and procedures that are applicable to a Fund relating to short selling (including trading limits and controls in addition to those specified above) will be prepared and reviewed by the Manager. The decision to effect any particular short sale will be made by a portfolio advisor and reviewed and monitored as part of the Manager's ongoing compliance procedures and risk control measures. The risk management procedures also cover the testing of a Fund's portfolio under stress conditions.

The risks of using these strategies are described under "*Short Selling Risk*".

#### Securities Lending and Repurchase Transactions

Each Fund has currently entered into securities lending transactions and may enter into repurchase transactions only as permitted under securities law. The Funds will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by a Fund and not yet returned to it or sold by the Fund in a repurchase transaction and not yet repurchased, would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions).

The Custodian will act as the agent for the Funds in administering the securities lending and repurchase transactions of the Funds. The risks associated with these transactions will be managed by requiring that a Fund's agent enter into such transactions for the Fund with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent is required to maintain internal controls, procedures and records including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party, and collateral diversification standards. Each day, the agent will determine the market value of both the securities loaned by a Fund under a securities lending transaction or sold by the Fund under a repurchase transaction and the cash or collateral held by the Fund for such transactions. If on any day the market value of the cash or non-cash collateral is less than 102% and 105%, respectively, of the market value of the borrowed or sold securities, on the next day the borrower will be required to provide additional cash or non-cash collateral to the applicable Fund to make up the short fall.

Barometer, the IRC and the agent will review at least annually, the policies and procedures described above to ensure that the risks associated with securities lending and repurchase transactions are being properly managed.

#### Proxy Voting Policy

Barometer, as portfolio advisor, has full responsibility for proxy voting and related duties in respect of each Fund. In fulfilling these duties, Barometer and the Funds have adopted proxy policies and procedures (the **Proxy Policies**) to ensure that proxies for units held by a Fund are voted consistently and solely in the best economic interests of the Fund. The Proxy Policies are more fully summarized below.

- The Proxy Policies set out the voting procedures to be followed in routine and non-

routine matters, together with general guidelines suggesting a process to be followed in determining how and whether to vote proxies. Although the Proxy Policies allow for the creation of a standing policy for voting on certain routine matters, each routine and non-routine matter must be assessed on a case-by-case basis to determine whether the applicable standing policy or general guidelines should be followed.

- The Proxy Policies also address situations in which Barometer and the Funds may not be able to vote, or where the costs of voting outweigh the benefits. Where a Fund managed by Barometer is invested in an underlying Fund that is also managed by Barometer, the proxy of the underlying Fund will not be voted by us. However, we may arrange for you to vote your share of those units.
- Barometer is responsible for the oversight of each Fund's proxy voting process and has assigned a senior member of its staff to be responsible for this oversight.

Barometer will compile and maintain annual proxy voting records for the Funds for the annual periods beginning July 1<sup>st</sup> in each year and ending June 30<sup>th</sup> of the following year. After completion of an annual period, the proxy voting record will be made available on Barometer's designated website ([www.barometercapital.ca](http://www.barometercapital.ca)) on August 31<sup>st</sup> following the annual period. A copy of the complete proxy voting procedures for each Fund is available to investors free of charge upon request. Requests can be made by calling toll-free 1-866-601-6888 or by sending an email to [info@barometercapital.ca](mailto:info@barometercapital.ca). Investors may also send a request by mail addressed to the attention of Barometer at 181 Bay Street, Suite 3220, Toronto, Ontario, M5J 2T3.

### **Remuneration of Directors and Officers and Trustees**

No Fund directly employs any directors or officers to carry out its operations. The operating expenses of the Funds are in addition to the management fees payable to Barometer. Where employees provide services to both the Funds and Barometer, only that portion of their expenses relating to the Fund's operation is reimbursed by the Funds.

No compensation, pension, retirement or other benefits was paid by the Funds to officers, directors or employees of Barometer.

Each IRC member is paid an annual retainer of \$5,000 as compensation for their services, plus \$1,000 for each meeting attended. Art Mannarn, Barry J. Myers (Chairman) and Stephen Gerry are the members of the IRC. The Chairman of the IRC receives an additional \$1,000 per meeting attended. These amounts are shared by the Funds. For the fiscal year of the Funds ended December 31, 2023, the aggregate amount of fees and expenses payable by and charged to the Funds in connection with the IRC was approximately \$23,523.58.

### **Material Contracts**

The following are the material contracts of the Funds. These contracts may be inspected by you, either as a prospective investor or as an existing unitholder, at the offices of Barometer during normal business hours.

- Declaration of Trust
- Custody Agreement
- Valuation Services Agreement
- Recordkeeping Services Agreement
- Lending Authorization

Copies of the material contracts of the Funds may be inspected by prospective investors or existing unitholders during regular business hours at the offices of Barometer and are available on Barometer's designated website at [www.barometercapital.ca](http://www.barometercapital.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca).

### **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 [www.barometercapital.ca](http://www.barometercapital.ca).

## **VALUATION FOR PORTFOLIO SECURITIES**

### **Calculating the Fair Value of Assets**

Barometer has delegated responsibility for valuation of the Funds to a valuation agent. Please see the section entitled "*Responsibility for Mutual Fund Administration - Recordkeeper and Valuation Agent*" for further details.

In calculating the net asset value (the NAV) of a Fund on any day, the valuation agent will determine the carrying/fair value of the assets and liabilities of the Fund according to applicable law and the rules set out in the Declaration of Trust of the Fund. Such valuation rules include the following:

- the carrying value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless the valuation agent determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the valuation agent determines to be the reasonable value thereof;
- the fair value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices at such times as the valuation agent, in its discretion, deems appropriate. Short-term investments including notes and money market instruments will be fair valued at cost plus accrued interest;
- the fair value of a security listed on a stock exchange will generally be the latest available sale price prior to the calculation of the NAV of a Fund. If the security was not sold on that day, the valuation agent will average the latest available ask

price and the latest available bid price to determine the fair value of the security. If the stock exchange was not open on that day, then the fair value of the security will be the latest available sale price on the most recent day on which the stock exchange was open. A security listed on more than one stock exchange will generally be valued on the exchange where the greatest trading volume normally occurs;

- the fair value of any security which is traded on an over-the-counter market will be the average of the closing bid and the closing ask price, as reported by the financial press;
- the fair value of any security, the resale of which is restricted or limited, will be the lesser of the value thereof based on reported quotations in common use and that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that a Fund's acquisition cost was of the market value of such securities at the time of acquisition; provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restriction will be lifted is known;
- the fair value of a forward contract or a futures contract, shall be the gain or loss with respect thereto that would be realized if, at the valuation time, the position in the contract were to be closed out unless daily limits are in effect in which case fair value shall be based on the current market value of the underlying interest;
- margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- if, in the opinion of the valuation agent, stock exchange or over-the-counter prices do not properly reflect the prices which would be received upon the sale of such securities, the valuation agent may value the securities at prices as appear to the valuation agent to most closely reflect the fair value of the securities;
- a Fund's financial assets and financial liabilities denominated in a foreign currency will be converted into Canadian funds by applying the rate of exchange obtained from the best available sources to the valuation agent;
- all expenses or liabilities (including fees payable to Barometer) of a Fund will be calculated on an accrual basis;
- the value of any security or other property for which no price quotations are available will be its fair market value as calculated in a manner determined by the trustee; and,
- where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by a Fund shall be reflected as a derivative liability that shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would

have the effect of closing the position. Any difference resulting from revaluation of such options shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV of the Fund. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their current market value.

If any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by Barometer to be inappropriate under the circumstances, then notwithstanding such rules, Barometer shall make such valuation as it considers fair and reasonable. Barometer has not exercised its discretion to deviate from the Fund's valuation principles as set out above for any of the Funds in the past two (2) years.

The following liabilities of a Fund will be included in the calculation of the NAV of a Fund and the NAV per class of the Fund:

- all bills and accounts payable;
- all administrative expenses payable and/or accrued;
- all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to unitholders of the Fund on or before the day the NAV of the Fund is being calculated;
- all allowances attributable to the Fund authorized or approved by Barometer for tax or contingencies including applicable provincial and federal sales, value added or goods and services tax/harmonized sales tax or contingencies that can be reasonably estimated with certainty under generally accepted accounting principles; and,
- all other liabilities of the Fund of whatever kind and nature, including liabilities attributable to a particular class except for unitholder equity (which is classified as a liability under IFRS).

Barometer will determine in good faith whether such liabilities are class expenses or common expenses of a Fund. The price for each class of units of a Fund will be determined using the latest reported information available on each business day. The purchase or sale of portfolio assets by a Fund will be reflected in the first calculation of the unit price for each class of units of the Fund after the date on which the transaction becomes binding.

## **CALCULATION OF NET ASSET VALUE**

### **Calculation of Net Asset Value per Unit of a Fund**

- The value of a Fund is called its "net asset value" or "NAV". When a Fund calculates its NAV, it determines the appropriate carrying value of all of its assets and subtracts from this amount all of its liabilities.
- A separate NAV per unit is calculated for each class of units of a Fund.

- Units of a class of a Fund will be issued or redeemed at the NAV of such class.
- The NAV of each class of units of a Fund is calculated in Canadian dollars as at the close of trading on the Toronto Stock Exchange (the **TSX**) on each business day, which is usually 4:00 pm (Eastern Standard Time), but in some circumstances may be another time (the **Closing Time**). In this simplified prospectus, a (**business day**) refers to a day that the TSX is open for business.
- The class NAV per unit of a Fund is calculated by dividing (1) the amount equal to the value of that class' proportionate share of assets of the Fund, less that class' proportionate share of the common expenses of the Fund and less that class' specific expenses by (2) the total number of units of that class of the Fund outstanding at such time.
- The purchase or redemption price of units of a class of a Fund is based on the NAV per unit of that class of the Fund next calculated after Barometer receives a purchase order or redemption request or is deemed to have received a purchase order or redemption request. Any purchase orders or redemption requests for units of a class of a Fund received at or before the Closing Time on a business day are priced based on the relevant class NAV per unit of the Fund calculated on that business day. Orders received after the Closing Time are priced based on the class NAV per unit of such Fund on the next business day. Please see the section entitled "*Purchases, Switches, and Redemptions*" for additional details regarding the NAV per unit.
- The price applied to purchase and redemption orders of each class of units of a Fund and will generally increase or decrease on each business day as a result of changes in the value of the portfolio securities owned by the Fund. When dividends or distributions, as applicable, are declared by a Fund, the unit price will decrease by the per unit amount of the dividend or distribution, as applicable, on the payment date.
- The NAV for each class of unit of a Fund is available at your request, and at no cost, by contacting us toll free at 1-866-601-6888 or by email at [info@barometercapital.ca](mailto:info@barometercapital.ca).

## **PURCHASES, SWITCHES AND REDEMPTIONS**

### **Calculation of the Price of a Unit**

The purchase price of a unit of a class of a Fund is based on the NAV per unit of that class of the Fund next calculated after Barometer receives your purchase order. The NAV per unit of a class of a Fund is calculated as at the Closing Time. Any purchase orders for units of a class of a Fund received by or on behalf of Barometer before or at the Closing Time on a business day are priced based on the NAV of the units of that class of the Fund calculated on that day. Orders received after Closing Time are priced based on the NAV of the units of that class of that Fund on the next business day. Your dealer or advisor may establish earlier cut-off times.

Barometer, on behalf of the Funds, may reject your purchase order within one (1) business day of

receiving the order. In these circumstances, any funds received in respect of the purchase order will be returned without interest.

## **Purchases**

Class A, Class F, and Class I units of the Barometer Global Equity Fund (the **Equity Fund**), the Barometer Disciplined Leadership Tactical Income Growth Fund (the **Income Fund**) and the Barometer Disciplined Leadership Balanced Fund (the **Balanced Fund**) are offered on a continuous basis by this simplified prospectus in all of the Provinces of Canada, primarily through registered dealers and advisors. See “*Description of Securities Offered by the Funds*” for a description of each class of units offered by the Funds. It is the intention of the Funds to sell units only to persons resident in Canada. Therefore, the Funds will accept orders only where the address of the purchaser, or if the purchaser is not the principal, the address of the principal, is in Canada.

You may purchase units of the Funds through a dealer or advisor registered in the Province in which you place the order. Units of the Funds may only be purchased in Canadian dollars.

Your initial investment in units of a Fund must be at least \$5,000 and any additional investment must be at least \$500. In the case of systematic investment plans, the minimum initial investment in each Fund is \$1,000 and subsequent purchases must be at least \$100. All complete orders will be processed within two (2) business days (or such period required by Canadian securities regulatory authorities). A Fund may change or waive the minimum thresholds for the initial investment or any additional investment in units of the Fund at any time. If a purchase order for units of a Fund is received at or before the Closing Time, the purchase order will be processed at the relevant class NAV per unit of the Fund calculated on the same business day. If the purchase order for units of a Fund is received after the Closing Time or on a day that is not a business day, it will be processed using the relevant class NAV per unit of the Fund calculated on the next business day.

No certificate will be issued to you when you buy units of a Fund.

If a Fund does not receive your payment within two (2) business days of processing your purchase order, the Fund will redeem your units on the following business day. If the redemption proceeds are greater than the payment you owe, the Fund will keep the difference. If the redemption proceeds are less than the payment you owe, Barometer will pay the difference to the applicable Fund and then will seek to collect this amount, plus the expense of so doing, from the dealer or advisor placing the order. The arrangement between you and your dealer or advisor may entitle your dealer or advisor to seek reimbursement from you of that amount together with any additional costs and expenses of collection.

From time to time and for such periods as Barometer may determine, Barometer may decide to stop selling units of the Funds.

## *General*

Please see the section entitled “*Fees and Expenses*” and “*Dealer Compensation*” for further details regarding the fees and expenses charged and dealer compensation applicable in relation to the classes of each Fund. A dealer may make provisions in the arrangements that it has with an investor

that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failed settlement of a purchase of units of a Fund caused by the investor.

### **Reclassifications**

You can reclassify your class of units of a Fund into another class of units of the same Fund that are denominated in the same currency. No redemption charge is payable on reclassification. Based on the administration practice of the Canada Revenue Agency, a reclassification of units of a class of a Fund is not a disposition for tax purposes. This means that you will not pay tax on any capital gains that may have accrued on the units of a class of a Fund at the time of reclassification. See “*Income Tax Considerations for Investors*” from pages 27 to 30.

You may only reclassify your units of a class of a Fund if you satisfy criteria required to hold the units of the class of the Fund into which you are reclassifying. The number of units of the class of Fund that you will receive upon the reclassification depends upon the relative NAV per unit of the class of the Fund that you hold as compared to the NAV per unit of the class of the Fund into which you will reclassify. Accordingly, you may receive more or less units of the class of the Fund that you hold than the number of units of the class of the Fund you choose to reclassify into.

If new classes of units are offered by a Fund in the future, you will be entitled to reclassify all or a portion of your units of the Fund into the new class of units of the Fund provided you meet any criteria of the new class of units of the Fund. If you hold Class F units of a Fund and your dealer or advisor advises Barometer at any time that you no longer satisfy the criteria for holding Class F units of the Fund, unless you direct Barometer to redeem your units of the Fund, Barometer will reclassify your Class F units of the Fund into Class A units of the Fund. Upon such reclassification, you may receive more or less Class A units of such Fund than the number of Class F units of such Fund that you currently hold, depending on the NAV per Class A unit of such Fund as compared to the NAV per Class F unit of such Fund. Rather than accepting the reclassification of your Class F units of a Fund into Class A units of the Fund, you may advise your dealer or advisor that you have decided to redeem your units of the Fund instead (see the section entitled “*Redemptions*” below for more details).

If you cease to be eligible to hold Class I units of a Fund, Barometer may reclassify your Class I units of the Fund into Class A units of the Fund after giving you ninety (90) days’ prior notice, unless you notify Barometer during the notice period and Barometer agrees that you are once again eligible to hold Class I units of the Fund.

### **Switches**

You can switch from one Fund to another Fund by contacting your dealer or advisor. Generally, a switch may be an order to sell and buy, to reclassify or to convert your units of one Fund into units of another Fund. Your representative’s firm may charge you up to two percent (2%) of the value of the units you switch to another Barometer Fund. You and your advisor negotiate the fee. A Fund may also charge you a short-term or frequent trading fee if you switch your units of the Fund within ninety (90) calendar days of purchase.

Any switch from one Fund to another Fund is a disposition of your units for tax purposes. If you hold your units of a Fund outside of a registered plan, you may realize a taxable capital gain. Please

see “*Income Tax Considerations for Investors*” for more details.

You may have to pay a fee to your dealer to effect a switch or reclassification. You negotiate the fee with your investment professional. See “*Fees and Expenses*” for additional details and a description of the fees for the different classes of units of each Fund denominated in the same currency.

## **Redemptions**

You may redeem your units of a Fund and receive an amount in cash for each unit of the Fund that you redeem equal to the class NAV per unit of the Fund as next calculated after Barometer or the person administering the Fund on its behalf receives your redemption request. You will receive redemption proceeds in the currency in which you originally purchased units of the applicable Fund.

The redemption of units of a Fund is a disposition for tax purposes and may result in a capital gain or capital loss, which may result in a tax liability for units of the Fund held in a non-registered plan. Please see “*Income Tax Considerations for Investors*” for more details.

The following paragraphs set out the redemption procedure for redeeming units of a Fund:

- Requests to redeem units of a Fund received in writing by or on behalf of Barometer at or before the Closing Time on a business day will be priced using the applicable class NAV per unit of the Fund calculated on that business day.
- Requests to redeem units of a Fund received by or on behalf of Barometer after the Closing Time on a business day will be priced using the applicable class NAV per unit of the Fund calculated on the next business day.
- You may redeem your units of a Fund through your registered dealer or advisor. Your registered dealer or advisor will forward your redemption request to Barometer. Dealers or advisors must transmit the particulars of your redemption request to Barometer by wire order, courier or priority post, without charge to you. You may also redeem your units of a Fund by wire order or by delivery of a request for redemption to Barometer.
- In order to complete your redemption request you must provide Barometer with all required redemption application documents. Barometer must receive either (1) a complete and written redemption request, signed by you or on your behalf or (2) a redemption order by telephone or electronic means on your behalf through a recognized dealer with which Barometer has made prior arrangements. If you have completed your redemption request, the applicable Fund will pay you the redemption price within two (2) business days after the date of the calculation of the NAV per unit of such Fund used to establish your redemption price.
- If Barometer determines that the redemption documents are incomplete, Barometer will notify you that its requirements have not been satisfied and will specify which documents are still to be delivered by you. Once you complete your redemption

request, a Fund will pay you the redemption price within two (2) business days after the date of the calculation of the NAV per unit of the Fund used to establish your redemption price. Each Fund may also waive the redemption requirements and pay you the redemption price within two (2) business days of Barometer, on behalf of the applicable Fund, making this decision.

- If, after 10 business days of the receipt by a Fund of your redemption request, you fail to provide Barometer with your completed redemption application documents, the Fund will issue to you on such 10<sup>th</sup> day the same number of units of the Fund as you redeemed. If the class NAV per unit of such Fund on that day is less than the redemption proceeds the Fund will retain the excess. If the class NAV per unit of such Fund exceeds the redemption proceeds, Barometer will pay to such Fund the amount of the deficiency and will seek to collect that amount, plus expenses, from the dealer or advisor placing the redemption request. The arrangement between you and your dealer or advisor may entitle your dealer or advisor to reimbursement from you of that amount together with any additional costs and expenses of collection.
- Each Fund will cancel any units you redeem.
- Upon the direction of Barometer, a Fund may require you to hold a minimum investment of at least \$5,000 in the Fund. If you hold less than the minimum amount, a Fund may redeem your units upon fifteen (15) days' prior notice.
- Under extraordinary circumstances, Barometer may suspend the right of redemption and postpone the date of payment of redemptions for any period provided that it complies with applicable securities regulatory policies in doing so. Barometer may suspend your right to redeem units of a Fund with the consent of the securities regulatory authorities or for any period when normal trading is suspended on a stock exchange on which securities held by the Fund are listed and traded if those securities represent more than 50% of the value of the Fund without allowance for liabilities and provided those securities are not traded on another exchange that represents a reasonably practical alternative for the Fund.
- If Barometer suspends the right of redemption, you may either withdraw your redemption request to redeem units of a Fund or receive, once the suspension is lifted, a payment based on the NAV per unit of the Fund next calculated after the suspension is lifted.
- A dealer may make provision in arrangements that it has with an investor to compensate the dealer for any losses suffered by the dealer in connection with any failure of the investor to satisfy the requirements of a Fund or securities legislation for a redemption of securities of the Fund.
- There is no redemption charge applicable if you choose to redeem your units of the Fund.

## *General*

Please see the sections entitled “*Fees and Expenses*” and “*Dealer Compensation*” for further details regarding the fees and expenses charged and dealer compensation applicable in relation to classes of each Fund. A dealer may make provisions in the arrangements that it has with an investor that will require the investor to compensate the dealer for any losses suffered by the dealer in connection with a failure of the investor to satisfy the requirements of a Fund or securities regulations for a redemption of units of a Fund caused by the investor.

## **Short-Term Trading**

Barometer has adopted policies and procedures to detect and deter short-term trading. Short-term trades are defined as a combination of a purchase and redemption within a short period of time that Barometer believes is detrimental to other investors in the Funds. Such trades may take advantage of certain Funds which hold securities priced in other time zones or illiquid securities that trade infrequently. These trades are generally for periods of less than ten (10) days but can be for periods of up to ninety (90) days.

The interests of Fund investors and a Fund’s ability to manage its investments may be adversely affected by short-term trading because, among other things, these types of trading activities can dilute the value of the Fund’s units, can interfere with the efficient management of the Fund’s portfolio and can result in increased brokerage and administrative costs to the Fund. While Barometer will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

A purchase and redemption of units of a Fund within a short period of time may be subject to a short-term trading fee. You may be charged a short-term trading fee of up to two percent (2%) of the purchase price (excluding any sales charge) if you redeem your units of a Fund within 90 days of buying them. The fee payable will be deducted from the redemption proceeds when you redeem your units of such Fund and the fees will be retained by such Fund. Barometer, in its sole discretion, may waive the short-term trading fee. All trades determined by Barometer to be short-term trades may be subject to a two percent (2%) fee. The fees charged will be paid to the applicable Fund.

Refer to “*Fees and Expenses*” on page 20 for more details.

Barometer may also take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor, if the investor continues to attempt such trading activity and/or closure of the investor’s account. The restrictions imposed on short-term trading, including the short-term trading fees, will generally not apply in connection with redemptions initiated by us and redemptions initiated by unitholders in special circumstances as determined by us in our sole discretion.

## OPTIONAL SERVICES

### Systematic Investment Plan

You may purchase units of the Funds monthly, bi-monthly, weekly or bi-weekly through a systematic investment plan. There is no fee for this service. Under this plan, a Fund will automatically transfer money from your Canadian dollar chequing account and invest in units of the Fund. Your initial investment in units of a Fund pursuant to the systematic investment plan must be at least \$1,000, and each additional investment must be at least \$100. The Funds may change or waive the minimum thresholds for the initial investment or any additional investment in units of a Fund at any time.

### Automatic Withdrawal Plan

You may set up an automatic withdrawal plan to receive a regular payment from your investments in a Fund by regularly redeeming units of the Fund that you own. We do not charge a fee for this service. You may decide not to continue in the plan on five (5) business days' notice to us.

### Automatic Reinvestment of Distributions

From time to time, the Funds may pay distributions to you or your registered tax plan. We will automatically reinvest these distributions by purchasing additional units of the applicable Fund on your behalf. You pay no sales charge when these units are bought.

If an investor prefers to receive distributions of the Funds in cash, they may notify us through their dealer.

## FEES AND EXPENSES

The following table list the fees and expenses that you may have to pay if you invest in units of a Fund. You pay some of these fees and expenses directly. Other fees and expenses are payable by the Funds, which will therefore reduce the value of your investment in the Funds.

<b>Fees and Expenses Payable by the Funds</b>	
<b><i>Management Fees</i></b>	<p>Barometer is entitled to an annual management fee, payable monthly out of the assets of each Fund based on the daily NAV of each class of units of that Fund as set out below.</p> <p>The following services are provided to clients in exchange for this management fee, including but not limited to:</p> <ul style="list-style-type: none"> <li>- the day-to-day management of each Fund;</li> <li>- making investment portfolio decisions and arranging for the execution of portfolio transactions;</li> <li>- dealing with the purchase and redemption of units of each Fund;</li> </ul>

- paying trailer commissions and other forms of compensation to dealers;
- negotiating contractual arrangements with, and supervising, third-party service providers, including the custodian, auditors and legal counsel;
- providing office accommodation, personnel, office supplies and internal accounting services in respect of each Fund; and
- monitoring compliance with applicable laws.

#### **Barometer Global Equity Fund**

Class A: An aggregate annual fee equal to the 2.20%<sup>1</sup> of the daily NAV of the Class A units of the Fund, plus applicable taxes payable monthly.

Class F: An aggregate annual fee equal to 1.20%<sup>1</sup> of the daily NAV of the Class F units of the Fund, plus applicable taxes payable monthly.

Class I: Each unitholder of Class I units of the Fund pays a negotiated management fee directly to us, priced primarily based on the size of their investment, which will not exceed 1.95% of the daily NAV of the unitholder's Class I units.

#### **Barometer Disciplined Leadership Tactical Income Growth Fund**

Class A: An aggregate annual fee equal to 1.95% of the daily NAV of Class A units of the Fund, plus applicable taxes payable monthly.

Class F: An aggregate annual fee equal to 0.95% of the daily NAV of the Class F units of the Fund, plus applicable taxes payable monthly.

Class I: Each unitholder of Class I units of the Fund pays a negotiated management fee directly to us, priced primarily based on the size of their investment, which will not exceed 1.95% of the daily NAV of the unitholder's Class I units.

#### **Barometer Disciplined Leadership Balanced Fund**

Class A: An aggregate annual fee equal to 1.95% of the daily NAV of Class A units of the Fund, plus applicable taxes payable monthly.

Class F: An aggregate annual fee equal to 0.95% of the daily NAV of the Class F units of the Fund, plus applicable taxes payable monthly.

Class I: Each unitholder of Class I units of the Fund pays a negotiated management fee directly to us, priced primarily based on the size of their investment, which will not exceed 1.95% of the daily NAV of the unitholder's Class I units.

#### **General**

Barometer will pay a portion of the annual management fees it receives for Class A units of the Funds to dealers and advisors as a trailing commission, as described

<sup>1</sup> Effective March 11, 2024.

	<p>under “<i>Dealer Compensation</i>” on page 25 below.</p> <p>The management fees are accrued in arrears daily and payable monthly.</p>
<p><b><i>Performance Fees</i></b></p>	<p>As compensation for its services as portfolio advisor of a Fund, Barometer also receives a performance fee (the <b>Performance Fee</b>) from the Class A units and the Class F units of the Fund equal to 20% of the amount by which the NAV per unit of that class of the Fund at the end of a year (the <b>Year-End Class NAV per Unit</b>) exceeds the annual target NAV per unit of that class of the Fund (the <b>Year-End Target Class NAV per Unit</b>), multiplied by the number of outstanding units of that class of the Fund at the end of that year (the <b>Year-End Class Units</b>).</p> <p>The Year-End Target Class NAV per Unit of a class of a Fund is calculated by multiplying the NAV per unit of the applicable class of the Fund at the beginning of the year (the <b>Beginning Class NAV per Unit</b>), adjusted for distributions in that class of the Fund during the year, by the sum of one plus the Fund’s benchmark listed below:</p> <p><b>Equity Fund</b> uses the MSCI World ex USA Index (CAD).</p> <p><b>Income Fund</b> uses a 50/50 blend of the FTSE TMX Canada Universe Bond Index and MSCI All Country World Index (C\$).</p> <p><b>Balanced Fund</b> uses a 50/25/25 blend of the FTSE TMX Canada Universe Bond Index, MSCI World Net Total Return Index (C\$) and S&amp;P/TSX Composite Total Return Index.</p> <p>If at any time the performance of the Fund is less than Target NAV, then no performance fee will be payable until the performance of the Fund relative to its Target NAV has exceeded the amount of the deficiency.</p> <p>The Beginning Class NAV per Unit of a class of a Fund will be reset on January 1<sup>st</sup> of each year to the greater of the Year-End Class NAV per Unit for that class from the preceding year or the Beginning Class NAV per Unit for that class from the preceding year.</p> <p>Performance Fees, if any, for Class I units of a Fund are calculated as described above but will be paid directly to Barometer by the Class I unitholder.</p> <p>Performance Fees for Class A units and Class F units of a Fund are calculated and accrued daily, and paid at the end of each year.</p> <p>For any redemption of units of any class of the Fund during a year, the prorated Performance Fee for that class of units of the Fund at the time of the redemption of such units will be paid to Barometer at the end of the month in which the redemption occurs.</p> <p>The Performance Fees of a Fund are subject to federal GST/HST and such tax will be a charge against the Fund.</p>

<p><b>Operating Expenses</b></p>	<p>Each class of units of a Fund pays its own operating expenses (collectively, the <b>Operating Expenses</b>), including fees payable to Barometer.</p> <p>The Operating Expenses of a Fund may include, without limitation:</p> <ul style="list-style-type: none"> <li>- Fees payable to the trustee;</li> <li>- The costs related to recordkeeping, valuation, transfer agency &amp; pricing;</li> <li>- Accounting and bookkeeping fees;</li> <li>- Audit fees, legal fees and related expenses;</li> <li>- Safekeeping and custodial fees;</li> </ul> <p>The costs of prospectuses, financial reporting and other types of communications;</p> <ul style="list-style-type: none"> <li>- Regulatory filing and other fees;</li> <li>- Interest and bank charges; and</li> <li>- Extraordinary expenses (such as litigation expenses).</li> </ul> <p>At its option and in its sole discretion, Barometer may absorb any of the Operating Expenses of any of the Funds.</p> <p>If a Fund uses derivatives to gain exposure to another Fund (the Underlying Fund) there will be fees and expenses payable by the Underlying Fund in addition to the fees and expenses payable by the Fund. However, there are no management fees or incentive fees payable by the Fund that to a reasonable person would duplicate a fee payable by an Underlying Fund for the same service.</p> <p>Additionally, no sales fees or redemption fees are payable by the Fund for investing in the Underlying Fund managed by Barometer.</p> <p>Generally, unitholder approval is required to change the basis of the calculation of a fee or expense that is charged to a Fund or a unitholder of the Fund in a way that could result in an increase in charges to the Fund or its unitholders or if a new fee or expense is introduced by the Fund or Barometer.</p> <p>However, if the proposed change only affects charges to one class of units of a Fund, only unitholders of such class of the Fund will be entitled to vote in respect of the proposed change.</p> <p>In the case of increases resulting from a change in the basis of a calculation of a fee or expense of a Fund, no unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense and if a written notice of such change is sent to unitholders of the Fund at least sixty (60) days before the effective date of the change.</p> <p><b>Independent Review Committee (IRC)</b></p> <p>Each Fund pays for its portion of costs associated with the IRC (including, without limitation, all member fees, insurance costs, legal or other advisory costs). Each IRC member is paid an annual retainer of \$5,000 as compensation for his or her services,</p>
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	<p>plus \$1,000 for each meeting attended. The Chairman of the IRC also receives an additional \$1,000 per meeting attended.</p> <p>These fees and expenses are allocated among all of the Funds managed by Barometer to which NI 81-107 applies, in a manner that is considered by Barometer to be fair and reasonable.</p>
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### **Fees and Expenses Payable Directly by You**

#### **Sales Charges**

*Sales Charges payable to dealers or advisors by you are as follows:*

#### **Equity Fund**

Class A: Up to five percent (5%) of the subscription price (where such subscription price includes the sales charge) for the units of the Fund.

Class F: None. While you do not pay any sales charges directly to the Fund, you will have negotiated a fee payable by you to the dealer or advisor in order to participate in the fee-based program.

Class I: None.

#### **Income Fund**

Class A: Up to five percent (5%) of the subscription price (where such subscription price includes the sales charge) for the units of the Fund.

Class F: None. While you do not pay any sales charges directly to the Fund, you will have negotiated a fee payable by you to the dealer or advisor in order to participate in the fee-based program.

Class I: None.

#### **Balanced Fund**

Class A: Your dealer or advisor may charge you an upfront sales commission of up to five percent (5%) of the subscription price (where such subscription price includes the sales charge, if any) when you buy units of the Fund.

Class F: None. While you do not pay any sales charges directly to the Fund, you will have negotiated a fee payable by you to the dealer or advisor in order to participate in the fee-based program.

Class I: None.

<b><i>Short-Term Trading Fees</i></b>	Each Fund may charge you a short-term trading fee of up to two percent (2%) of the purchase price (excluding any sales charges) of your units of that Fund if you redeem such units within ninety (90) days of buying them.  Barometer, in its sole discretion may waive this short-term trading fee. Any fee payable will be deducted from the redemption proceeds when you redeem your units of a Fund and such fee will be retained by the Fund.
<b><i>Reclassification Fees</i></b>	There are no reclassification fees payable when you reclassify units of a Fund.
<b><i>Switch Fees</i></b>	Your dealer or advisor may charge you a fee for switching. You and your dealer or advisor negotiate the fee.
<b><i>Redemption Fees</i></b>	There are no redemption fees payable when you redeem units of a Fund.
<b><i>Other Fees and Expenses</i></b>	There are currently no charges for our systematic investment plan or automatic withdrawal plan.

## **DEALER COMPENSATION**

### **Sales Commission**

Your dealer may receive a sales commission from you of up to five percent (5%) of the subscription price (where such subscription price includes the sales charge, if any) when you buy Class A units of the applicable Fund. We do not charge a sales commission when you buy Class F or Class I units of the applicable Fund. Your advisor negotiates a fee directly with you.

### **Trailer Fee**

From its annual management fee, Barometer will pay to full service dealers and full service mutual fund dealers, who are conducting a suitability analysis for their clients, an annual trailing commission based on the value of the Class A units of a Fund that you hold. The annual trailing commission is equal to one percent (1%) and accrues daily based on the daily average net asset value of the Class A units of the applicable Fund held by you. Barometer currently pays the trailing commission at the end of every month. No such compensation is payable in respect of Class F units (though your dealer or advisor may have negotiated a fee that is payable by you in order for you to participate in their fee based program) or Class I units of a Fund. We may change or cancel the terms and/or payment frequency of the trailing commissions that we pay dealers at any time.

### **Other Forms of Dealer Support**

Barometer may also provide or support educational conferences and events, marketing support programs and other programs to registered dealers or advisors. These may include:

- Materials describing the benefits of mutual fund investing;

- Conferences sponsored by registered dealers for which we pay up to 10% of the cost;
- Audio and visual materials for dealers seminars;
- Co-operative dealer advertising, for which we pay up to 50% of the cost; and
- National media advertising.

We may change the terms or conditions of these cooperative marketing programs or discontinue them, at any time.

## INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax rules in effect or proposed that apply to the Funds and its unitholders at the time we prepared this document. This summary assumes you are an individual and that for purposes of the *Income Tax Act* (Canada) (the **Tax Act**) you are resident in Canada, not affiliated with the Funds, and you hold your Fund units as capital property.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date of this prospectus, and an understanding of the current publicly available published administrative and assessing policies of the Canada Revenue Agency. This summary does not take into account or anticipate any other changes in the law whether by legislative, administrative or judicial action, and it does not take into account provincial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible federal income tax considerations. This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. You should consult your own tax advisor to determine the impact of tax legislation on your investment.

### Income Tax Considerations for the Funds

Each Fund intends to qualify as, a “mutual fund trust” for purposes of the Tax Act. In order to qualify as a mutual fund trust, among other requirements, a Fund must have at least 150 unitholders of a particular class of units each of whom holds a minimum number and value of units (the **Unitholder Requirement**). Each of the Funds currently meets all the conditions to be a mutual fund trust including the Unitholder Requirement.

Each of the Funds will be subject to tax under Part I of the Tax Act on the amount of its income for tax purposes for each taxation year, including net taxable capital gains, less the portion of such income that is paid or payable to its unitholders. Generally, each Fund will distribute to its unitholders in each taxation year enough of its net income and net realized capital gains so that it should not be liable for tax under Part I of the Tax Act. If a Fund is a mutual fund trust within the meaning of the Tax Act throughout a taxation year, it will be permitted to retain, without incurring

a liability for tax, a portion of its net realized capital gains based on a formula that takes into account redemptions of its units during the year.

Losses incurred by the Funds cannot be allocated to investors but may, subject to certain limitations, be deducted by the Funds from its capital gains or other income realized in other years.

In certain situations, if a Fund disposes of property and would otherwise realize a capital loss, the loss will be classified as a “suspended loss”. This may occur if a Fund disposes of and acquires the same property during the period that begins thirty (30) days before and ends thirty (30) days after the disposition of property and holds it at the end of that period.

The Tax Act contains “loss restriction event” (LRE) rules that could apply to a Fund. In general, a LRE occurs to a Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs to a Fund (i) the Fund will be deemed to have a year-end for tax purposes, (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to its unitholders, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, a Fund will be exempt from the application of the LRE rules in most circumstances if the Fund is an “investment fund” which requires, among other things, the Fund to satisfy certain investment diversification rules.

## **Income Tax Considerations for Investors**

### *Units Held in a Non-Registered Account*

If you do not hold your units of a Fund within a Registered Plan (as defined below), you are required to include in computing your income (in Canadian dollars) for purposes of the Tax Act:

- (i) all distributions of income and net taxable capital gains, if any, paid or payable to you by the Fund in a particular year, including any distributions reinvested in additional units of the Fund (including management fee distributions, if any); and,
- (ii) any net taxable capital gains realized on the redemption or other disposition by you of your units in the Fund.

The taxation of these items is discussed in more detail below.

### Distributions

Your share of the distributions paid by a Fund to its unitholders will be based on the number of units of the Fund held by you on the record date for the distribution regardless of how long you have owned such units. The NAV of the units of a Fund, and therefore the price you pay for the units, may reflect income and gains that have accrued in the Fund but which have not yet been realized or distributed. When such income and gains are distributed by a Fund, you will be required to include your share of the distribution in computing your income even though some of the distribution received may have been reflected in the purchase price you paid for the units of the Fund. This effect could be particularly significant if you purchase units of a Fund just before a record date for a distribution by the Fund.

The higher a Fund's portfolio turnover rate is in a year, the greater the chance that you will receive a distribution from the Fund. There is not necessarily a relationship between a Fund's turnover rate and its performance.

Provided that appropriate designations are made by a Fund, the amount, if any, of foreign source income, net taxable capital gains and taxable dividends from taxable Canadian corporations of the Fund that are paid or payable to you (including such amounts invested in additional units of the Fund) will, effectively, retain their character for tax purposes and be treated, respectively, as foreign source income, taxable capital gains and taxable dividends realized by you directly.

Where amounts distributed to you by a Fund arise from taxable dividends received by the Fund on shares of taxable Canadian corporations, you will be taxed on such amounts as if you had received the amounts as taxable dividends from taxable Canadian corporations and the gross-up and dividend tax credit mechanism in the Tax Act will apply (including the enhanced gross-up and dividend tax credit in respect of "eligible dividends", if any).

To the extent that distributions (including management fee distributions) paid to you in any year exceed your share of the net income and net realized capital gains of a Fund allocated to you for that year, those distributions (except to the extent that they are proceeds of disposition of a unit of the Fund as described below) will not be taxable to you but will be treated as returns of capital and will reduce the adjusted cost base of your units of the Fund. If the adjusted cost base of your units of a Fund becomes a negative amount at any time in a taxation year, you will be deemed to have realized a capital gain equal to that amount and the adjusted cost base of your units of the Fund will be reset to zero.

Each year, we will send you a tax form identifying all of the distributions that were paid to you by each Fund during the previous year.

### Reclassifications

Generally, a reclassification of units of a Fund from one class to another class of units of the same Fund is not considered to be a disposition for tax purposes and, accordingly, you will not realize a gain or loss on such reclassification.

### Switches

Any switch of units from one Fund to another Fund is also a disposition for tax purposes. If you hold your units of a Fund outside of a registered plan, you may realize a taxable capital gain.

### Redemptions and Dispositions

Assuming that you hold your units of a Fund as a capital property for tax purposes, upon the disposition or deemed disposition of a unit of a Fund, whether by redemption, sale, or otherwise, you will realize a capital gain (or capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than your adjusted cost base of the unit of the Fund (all computed in Canadian dollars). A Fund may designate to a unitholder on a redemption of units in a year, a portion of the Fund's capital gains realized in the year up to the amount the unitholder's accrued gain on the redeemed units (which will reduce the unitholder's proceeds of

disposition by the amount so designated).

One half of a capital gain (taxable capital gain) will be included in computing your income and one half of a capital loss (allowable capital loss) will be deductible against your taxable capital gains in accordance with the detailed rules in the Tax Act.

In certain situations where you dispose of units of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if you, your spouse or another person affiliated with you (including a corporation controlled by you) has acquired units of the same class of a Fund (“substituted securities”) within 30 days before or after you dispose of your units of the Fund and hold the substituted securities at the end of that period of time. In these circumstances, your capital loss may be deemed to be a “superficial loss” and denied. The amount of the denied capital loss will be added to the adjusted cost base to the owner of the substituted securities.

The adjusted cost base of your units of a Fund will be the average price you paid for all units of the Fund that you own (including any units of the Fund acquired through a reinvestment of distributions from the Fund).

**How to calculate the adjusted cost base (ACB) of your total investment in a class of units of a Fund**

<b>ACB</b>	<b>=</b>	<b>the cost of your initial investment Plus the cost of any additional purchases. Plus any reinvested distributions</b>
<b>Minus</b>		<b>any return of capital in distributions</b>
<b>Minus</b>		<b>the ACB of any previous redemptions</b>

You should keep detailed records of the purchase cost of your investment in units of the Funds and distributions you receive on those units so you can calculate their adjusted cost base. Other factors may affect the calculation of the adjusted cost base and you may want to consult a tax advisor.

Alternative Minimum Tax

Depending on your personal circumstances, you may be liable to pay an alternative minimum tax on, distributions of taxable Canadian dividends and capital gains received from a Fund and on capital gains realized on the disposition of units of the Fund. Proposed legislation that is effective on January 1, 2024 modifies the existing rules for computing the alternative minimum tax. Such modifications include an increase in the tax rate to 20.5% (from 15%), an increase in the basic exemption amount available to individuals and qualified disability trusts to \$173,000 (from the \$40,000 previously available to individuals). Prospective investors are advised to consult their own tax advisors to determine the impact of the alternative minimum tax.

Advisory Fees

You should consult your tax advisor about the tax treatment in your particular circumstances of

any investment advisory fees you pay to your dealer when investing in units of the Funds. The portion of the fees that you pay to Barometer for Class I units of a Fund that is in respect of services provided by us to the Fund, rather than directly to you, will generally not be deductible by you for income tax purposes.

### *Units Held in a Registered Plan*

As long as a Fund is a mutual fund trust within the meaning of the Tax Act, units of the Fund will be qualified investments under the Tax Act for a registered tax plan, being a trust governed by a registered retirement savings plan (a **RRSP**), registered retirement income fund (a **RRIF**), deferred profit sharing plan, registered education savings plan (a **RESP**), registered disability savings plan (a **RDSP**), tax-free savings account (a **TFSA**), and first home savings plan (a **"FHSA"**) (each a **Registered Plan**). Currently, each Fund qualifies as a mutual fund trust.

If you hold units of a Fund in a Registered Plan, as long as you do not make withdrawals from the plan and as long as such Fund is a mutual fund trust under the Tax Act, you pay no tax on:

- distributions from such Fund, whether or not they are reinvested in additional units; and
- any capital gains the Registered Plan makes from redeeming or otherwise disposing of units of such Fund.

However, withdrawals from Registered Plans (other than TFSAs and certain withdrawals from RESPs, FHSAs and RDSPs) are generally taxable.

Units of a Fund will not be a "prohibited investment" for a trust governed by a TFSA, a RESP, a RDSP, a RRSP, a FHSA or a RRIF provided the holder, the subscriber or the annuitant of the relevant Registered Plan deals at arm's length with the Fund for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in the Fund. If you intend to hold units of a Fund in a Registered Plan you should consult your own tax advisor regarding the "prohibited investment" rules.

### **Reporting to Unitholders**

Each Fund will comply with all applicable reporting and administrative requirements.

Each Fund will furnish unitholders of that Fund with audited annual financial statements and unaudited interim financial statements of that Fund.

Any tax information necessary for unitholders to prepare their annual federal income tax returns in connection with their investment in units of a Fund will be distributed to them within 90 days after the end of each taxation year of the Fund, or such other time as required by applicable law. Neither the Manager nor the registrar and transfer agent are responsible for tracking the ACB of a unitholder's units of a Fund. Unitholders should consult with their tax advisor in respect of how to compute the ACB of their units and in particular how designations made by a Fund to a unitholder affect the unitholder's tax position.

**WHAT ARE YOUR LEGAL RIGHTS?**

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two (2) business days after you receive a simplified prospectus or fund facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, fund facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

**CERTIFICATE OF BAROMETER GROUP OF FUNDS, THE MANAGER AND THE  
PROMOTER**

February 21, 2024

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 each province of Canada and do not contain any misrepresentations.

*“David Burrows”*

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David Burrows  
Chief Executive Officer and Chairman  
Barometer Capital Management Inc.

*“Paul Tesolin”*

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Paul Tesolin  
Chief Financial Officer  
Barometer Capital Management Inc.

On behalf of the Board of Directors of  
**BAROMETER CAPITAL MANAGEMENT INC.,**  
as trustee, manager and promoter of the Barometer Group of Funds

*“Geoffrey Spidle”*

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Geoffrey Spidle  
Director

*“Peter McCarthy”*

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Peter McCarthy  
Director

## **SPECIFIC INFORMATION ABOUT EACH FUND DESCRIBED IN THIS DOCUMENT**

In the following section of this simplified prospectus, you will find detailed descriptions of each of the Funds. All of the descriptions are organized and apply equally, under the headings provided below.

### **WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?**

#### **What is a Mutual Fund?**

##### *General*

A mutual fund is a pool of money contributed by people with similar investment objectives. This pool of money is invested by a professional portfolio manager to achieve the investment objectives of the particular mutual fund. Mutual funds own different types of investments depending upon their investment objectives. The portfolio manager determines which securities the mutual fund will buy or sell, and when to buy or sell such securities.

Many mutual funds, including the Barometer Group of Funds, are set up as trusts with a trustee that holds title to the property of each trust on behalf of its unitholders. To become a unitholder, you purchase units of the applicable trust. Mutual funds may also be set up a corporate mutual fund. Rather than receiving units of a trust, when investors contribute to a corporate mutual fund, they receive shares of a mutual fund corporation.

If you are a unitholder of a mutual fund, you share in the trust's income, expenses, gains and losses. Each unit represents a portion of the value of the mutual fund.

Mutual funds, such as the Barometer Group of Funds, may also issue one or more classes of units which may be purchased by investors. While each class of units of a Fund will share proportionally in the common expenses and liabilities of the Fund, each class of units of the Fund will also bear its own class-specific expenses (including management fees which may differ between classes). The class-specific expenses are attributable to the relevant class of units of a Fund in connection with any distribution to be made by the Fund and will therefore affect the amount of distribution in respect of the securities of each class of units of the Fund, as well the NAV of each class of units of the Fund. The different classes of units of each Fund are described on page 42 to 44 under the heading "*Description of Securities Offered by the Funds*". We may offer additional classes of units of a Fund in the future.

##### *Advantages*

Investing in mutual funds has several advantages over independently investing in individual securities:

- money management by a professional portfolio manager;
- diversification through a broad range of investments;

- ease of buying and selling units; and
- recordkeeping and reporting provided by the mutual fund company.

Selecting the appropriate mutual funds will depend on your investment goals, time horizon and risk tolerance. It is important to understand these and other considerations before investing in a mutual fund.

## **What are the Risks of Investing in a Mutual Fund?**

### *General Risks*

There are some general risks which all mutual funds share as well as certain risks unique to an investment in a particular mutual fund. A mutual fund may own different types of investments, such as stocks, bonds, cash and derivatives. The value of a mutual fund's investments will change from day-to-day, reflecting changes of various factors including but not limited to general economic conditions, fluctuations in the securities markets, international developments, company news, and the supply and demand of the investment themselves. As a result, the value of the units or shares of mutual funds may go up and down, and the value of your investment may be more or less when you redeem it than when you purchased it. Unlike bank accounts or Guaranteed Investment Certificates, mutual fund units are not covered by the Canada Deposit Insurance Corporation (**CDIC**) or any other government deposit insurer. The following is a description of these and other risks which apply to the Funds and, in varying degrees, to all mutual funds.

### *Conflicts of Interest*

- We may engage in the promotion, management or investment management of one or more other trusts or accounts that invest in the same securities as the mutual funds. We will, however, ensure that over time all of our clients will have the same investment opportunities, and no client is given preferential treatment for investments.

### *Economic Conditions Risk*

- The performance of a mutual fund will be affected by changes in the general economic and financial conditions in Canada, North America and the world.

### *Investment Not Guaranteed*

- Mutual funds are investments, not savings. Therefore, the full amount of your investment in a mutual fund is not guaranteed. You may potentially lose the entire value of your investment.
- Unlike bank accounts or Guaranteed Investment Certificates, securities of a mutual fund are not covered by the CDIC or any other government deposit insurer.

### *Large Transaction Risk*

- Units of the mutual funds may be purchased by investors in large quantities. Any significant transaction made by a large investor could significantly impact a mutual fund's cash flow. If an investor buys large amounts of units of a mutual fund, a Fund could temporarily have a high cash balance. Conversely, if an investor redeems large amounts of securities of a Fund, the Fund may be required to sell securities from its investment portfolio at an inopportune time, such as during a market cycle downturn. This may have a negative impact on the performance of the mutual fund.

### *Legislation and Litigation Risk*

- From time to time, various legislative initiatives are proposed by governments, which may have a negative impact on certain issuers whose securities are held in a mutual fund's investment portfolio. In addition, litigation regarding any of such issuers or the industries represented by these issuers, may negatively impact the prices of the securities. The impact of any pending or proposed legislation or pending or threatened litigation on a mutual fund's investment portfolio cannot be predicted.
- The Funds will generally be required to pay taxes eligible under Part IX of the *Excise Tax Act* (Canada) (GST/HST) and the regulations made thereunder on any management fees and most of the other fees and expenses that they have to pay. Changes may be made to the way that the GST/HST and provincial sales taxes apply to fees and expenses incurred by mutual funds such as the Funds, which, accordingly, may affect the costs borne by the Funds and their unitholders.

### *Liquidity*

- A mutual fund may from time to time, invest in securities that are illiquid, meaning that they cannot be readily sold. A mutual fund that has difficulty selling a security can lose value or incur additional costs. As well, illiquid securities may be difficult to value and thus may experience larger than normal price fluctuations. Such fluctuations may affect a mutual fund's value.

### *Multiple Class Risk*

- A mutual fund may issue several classes of units. Each class of units will be charged, as a separate class, any expenses which are specifically attributable to that class. However, those expenses do continue to be a liability of the applicable mutual fund as a whole and therefore, if there are insufficient assets of a class to pay those expenses, the assets of the other classes of that mutual fund would be used to pay those excess expenses. In such circumstances, the unit price of the other classes would decline.

### *No Assurance of Achieving Investment Objective*

- There is no assurance that a mutual fund will be able to achieve its investment objective. A substantial drop in the equity markets may have a negative effect on a mutual fund. The after-tax return from an investment to a taxable Canadian investor will depend in part on the composition for tax purposes of the distributions paid by a Fund (a portion of which may be fully or partially taxable or may constitute non-taxable returns of capital). This composition may change over time, thus affecting the after-tax return to unitholders of the Funds. Paying distributions out of capital will also reduce the amount of a unitholder's investment in a Fund and may adversely affect the total return of the Fund.

### *Redemptions May be Suspended*

- Due to the nature of some of a mutual fund's investments, it may be difficult for a mutual fund to dispose of its investments on a timely basis at favourable prices due to adverse market developments or other factors. Accordingly, under exceptional circumstances, a Fund may not allow you to redeem your units. Additional information is provided under the heading "*Purchases, Switches and Redemptions*".

### *Regulatory Risk*

- Some industries, such as financial services, health care and telecommunications are heavily regulated and may receive government funding. Investments in these sectors may be substantially affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding. The value of a mutual fund that buys these investments may rise and fall substantially due to changes in these factors.

### *Stock Market Conditions and Specific Issuer Developments*

- A mutual fund that invests in securities of public issuers will be influenced by conditions affecting the stock markets where those securities are traded, as well as by specific developments of the issuers.

### *Systemic Risk*

- A mutual fund may be exposed to the risk of the collapse of an entire financial system or entire market. There are risks imposed by the interdependency in a system or market, where the failure of a single entity or cluster of entities can cause a cascading failure.

### *Unitholder Liability*

- The Declaration of Trust provides that no unitholder will be subject to any liability whatsoever, in contract or otherwise, to any person in connection with a Fund, or the obligations or the affairs of the Fund. All such persons will look solely to the applicable Fund for satisfaction of any claims of any nature arising out of or in

connection with the Fund, and only the Fund's assets shall be subject to levy or execution. Notwithstanding such provisions, due to uncertainties in the law relating to investment trusts, there is a risk that where claims against a Fund are not satisfied by the Fund's assets, unitholders in that Fund could be held personally liable for any outstanding obligations.

### *Specific Risks*

In addition to the general risks of investing in a mutual fund, an investment in a Fund carries specific risks as a result of its particular investments and strategies.

#### *Concentration Risk*

- A relatively high concentration of assets in a single or small number of issuers may reduce the diversification and liquidity of a Fund and increase its volatility. As a result of reduced liquidity, a Fund's ability to satisfy redemption requests may be reduced. It may also result in a concentration in specialized industries or market sectors. Investing in such a Fund will therefore involve greater risk and volatility than investing in a mutual fund that has a broadly-based investment portfolio, since the performance of one particular industry or market could significantly and adversely affect the overall performance of the Fund.

#### *Currency Risk*

- A portion of a Fund's investments may be in securities that are priced in foreign currencies. Accordingly, movements in exchange rates will affect the Canadian dollar value of a Fund's securities that are priced in such foreign currencies. For example, a decline in the value of the security priced in a foreign currency compared to the Canadian dollar, would reduce the gains (in Canadian dollars) realized from an increase in the price of the foreign-denominated security.
- To manage the risk of foreign currency fluctuations and restrictions, a Fund may purchase forward currency contracts with another party. The use of forward currency contracts poses a risk that the other party may not be able to meet its obligations under the contract. There is also a risk that the use of such contracts may not be effective.

#### *Derivative Risk*

- The Funds may use derivatives. A derivative is a contract whose value is based on, or derived from, the value or performance of another investment. Examples of derivatives include options, futures, swaps and forward contracts. Derivatives require or allow the holder to purchase or sell assets such as stocks, currencies or commodities at a certain price now or in the future. Derivatives have certain risks. The following are some of the most common ones:
  - Derivatives may not prevent changes in the market value of a mutual fund's investments or prevent losses if the market value of the investments falls;

- A mutual fund may not be able to purchase or sell a derivative to make a profit or limit a loss;
- Derivatives can limit a mutual fund's ability to benefit from increases in the stock markets;
- There is no guarantee that the counterparty in a derivative will meet its obligations;
- If the counterparty to a derivative, or a third party holding assets of a mutual fund in connection with a derivative, goes bankrupt, the mutual fund could lose any collateral it deposited and any gains made on the derivative; and
- Some derivatives that trade on foreign markets may be harder to trade and have a higher credit risk than derivatives traded in North America.

#### *Emerging Market Risk*

- In emerging market countries, securities markets may be smaller and less efficient than those in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. The value of mutual funds, such as the Funds, that buy these investments may rise and fall substantially and fluctuate greatly from time to time.

#### *Equity Risk*

- Equity securities, such as common shares, may fluctuate in value. General economic and market conditions, interest rates and other factors all may impact negatively the price of an equity security. The prices of equity securities can therefore vary widely and mutual funds, such as the Funds, that invest in equity securities are generally more volatile than mutual funds that invest in fixed-income securities.

#### *Foreign Investment Risk*

- The Funds may invest in securities without geographic restriction, including emerging markets. The value of foreign securities, and its share prices may fluctuate more than Canadian securities for a variety of reasons, including:
  - Differences in the regulations, standards, reporting practices and disclosure requirements applicable to such securities;
  - Differences in regulatory regimes and the degree to which different countries protect investor rights;
  - Political instability, possible corruption, social unrest or diplomatic developments in a particular foreign country, especially emerging markets;

- Different tax rates and the possibility of government-imposed exchange controls that may prevent a Fund from redeeming its investment; and
- Differences in market dynamics and that a company in a particular foreign market may have a limited operating history, product lines, markets and/or financial resources.

#### *Income Trust Risk*

- The Funds may invest in income trusts. Income trusts generally hold securities in or are entitled to receive payments from an underlying active business or investment in property. To the extent that an underlying business or investment in property is susceptible to industry risks, stock market conditions, interest rate fluctuations, commodity prices and other economic factors, investment returns from an income trust may be similarly affected. Although their returns are neither fixed nor guaranteed, income trusts are structured in part to provide a constant stream of income to investors. As a result, an investment in an income trust may be subject to interest rate risk. There is also a remote risk that where claims against an income trust are not satisfied by that trust, investors in that trust could be held liable for any outstanding obligations. The businesses and investments in property underlying income trusts may focus on a few industries and geographic areas. If those industries or geographic areas prosper the outlook for those income trusts will generally increase as will the value of a mutual fund that has held the income trusts. Conversely, if such industries and geographic regions experience a downturn, the outlook for those income trusts will generally decline, as will the value of the mutual fund.

#### *Interest Rate Risk*

- The performance of the securities held by a Fund may be affected by movements in the general level of interest rates. Fixed-income securities, such as bonds, treasury bills and commercial paper, pay a fixed rate of interest. The value of fixed-income securities will change as interest rates rise and fall. For example, when interest rates fall, the value of an existing bond will rise because the interest rate on that bond is now greater than the market rate. Conversely, if interest rates rise, the value of an existing bond will fall. The value of fixed-income securities also depends, in part, on the perceived ability and creditworthiness of the government or company that issued the securities to pay the interest and repay the principal. Securities issued by issuers with a low credit rating are considered to have a higher credit risk than securities issued by issuers that have a high credit rating.

#### *REIT Risk*

- One specific type of income trust that a Fund may invest in are real estate investment trusts (**REITs**). REITs are financial vehicles that pool investors' capital to purchase or finance real estate. REITs may concentrate their investments in specific geographic areas or in specific property types, i.e., hotels, shopping

malls, residential complexes and office buildings. The value of a REIT's shares and the ability of a REIT to distribute income may be adversely affected by several factors, including rising interest rates, a deterioration in the national, state and local economic climate, and a reduction in the availability of obtaining financing on acceptable terms or at all. In general, REITs are impacted by the financial condition of their tenants, and will be adversely affected in the event tenant bankruptcies or defaults increase. If rental revenues and/or occupancy levels decline, a REIT generally would expect to have less cash available to pay indebtedness and for distributions to shareholders. In addition, some major REIT expenses, including mortgage payments, real estate taxes and building maintenance costs, generally do not decline when the related rents decline. REITs are also impacted by perceptions of prospective tenants and customers of the safety, convenience and attractiveness of the properties, local conditions such as an oversupply of space or a reduction in demand for real estate in the area, increased competition from new properties, the timing and costs associated with property improvements and whether they are able to pass some or all of any increased operating costs through to tenants, changes in market rental rates, and the ability of the owner to provide adequate management, maintenance and insurance on their properties.

#### *Repurchase Agreement Risk*

- The Funds may enter into repurchase transactions. A repurchase transaction is where a Fund sells a security that it owns to a third party for cash and agrees to buy the same security back from the same party at a specified price on an agreed future date. The risk with this type of transaction is that the other party may default under the agreement or go bankrupt. In a repurchase transaction, a Fund could incur a loss if the other party defaults and the value of the security sold has increased more than the value of the cash and collateral held. This risk is reduced by requiring the other party to provide collateral to the Fund. The value of the collateral has to be at least 102% of the market value of the security sold as required by securities regulatory authorities.
- Repurchase transactions, together with securities lending transactions (as described below), are limited to 50% of a Fund's assets, excluding cash held by a Fund for securities sold in a repurchase transaction and collateral received in a securities lending transaction. We may also enter into reverse repurchase agreements in accordance with and only with parties that have the approved credit ratings as mandated by the securities regulatory authorities.

#### *Securities Lending Risk*

- The Funds currently engage in securities lending transactions. In a securities lending transaction, a Fund lends portfolio securities that it owns to a third-party borrower, and the borrower promises to return an equal number of the same securities to the Fund at a later date and to pay a fee to the Fund for borrowing the securities. As security for the loan, and to reduce the risk of loss if the borrower defaults on its obligation to return the securities to the mutual fund, the borrower

provides the mutual fund with cash collateral or non-cash collateral equal to at least 102% or 105%, respectively, of the market value of the securities loaned. However, in the event the borrower defaults on its obligation, there is still a risk that the collateral may be insufficient to enable the Fund to purchase replacement securities and the Fund may suffer a loss for the difference. In the event a Fund accepts cash from the borrower as collateral for a securities loan, the Fund will invest the cash it receives. As a result, there is an additional risk that the value of such cash investment may decrease and the Fund may suffer a loss for the difference when it is required to return the cash to the borrower upon completion of the lending transaction. A Fund will not lend more than 50% of the total value of its assets through securities lending or repurchase transactions unless a Fund is permitted by law to lend a greater amount. Pursuant to applicable securities laws, the securities lending agent is required to be the custodian or sub-custodian of the Funds.

### *Short Selling Risk*

- Short selling is an agreement to sell stock at a predetermined price below its current market price and then repurchase the stock in the future. This type of agreement is usually entered into when it is anticipated that the price of a security will decline below the short price. However, the potential loss on selling securities short can be unlimited. In addition, if there is a call on borrowed securities, a Fund may be forced to cover its short positions by having to buy the security at an unattractive price. Borrowing securities also entails the payment of a borrowing fee, which is subject to change due to market conditions.

### *Exchange of Tax Information Risk*

- Part XVIII of the Tax Act imposes due diligence and reporting obligations on “reporting Canadian financial institutions” in respect of their “U.S. reportable accounts”. Each Fund is a “reporting Canadian financial institution” and is required to provide information to the Canada Revenue Agency (**CRA**) in respect of its unitholders who are “U.S. reportable accounts”. Such information generally relates to citizenship, residency and, if applicable, a U.S. federal tax identification number or such information relating to the controlling person(s) in the case of certain entities. If unitholders hold their units of a Fund through a dealer, the dealers will be subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, unitholders may be requested to provide information to the Fund or their dealers to identify U.S. persons holding units of the Fund. If a unitholder is (or any controlling person of certain entities) is identified as a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information and there is a concern that the person is a U.S. person, Part XVIII of the Tax Act will generally require information about the unitholder’s investments held in the financial account maintained by the Fund or the dealer to be reported to the CRA, unless the investments are held within certain registered plans (such as a RRSP). The CRA is expected to provide that information to the U.S. Internal Revenue Service. The Tax Act contains similar rules in respect of other non-Canadian investors in a Fund.

### *Tax Risk*

- The Tax Act contains “loss restriction event” (**LRE**) rules that could apply to the Funds. In general, a LRE occurs to a Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs to a Fund (i) the Fund will be deemed to have a year-end for tax purposes, (ii) to the extent possible, any net income and net realized capital gains of the Fund at such year-end will be distributed to its unitholders, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, a Fund will be exempt from the application of the LRE rules in most circumstances if the Fund is an “investment fund” which requires, among other things, the Fund to satisfy certain investment diversification rules.
- Each Fund currently qualifies as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that this will continue to be the case. If a Fund ceases to be or is not a mutual fund trust, its units may no longer be qualified investments under the Tax Act for registered plans and, in addition, there may be adverse tax consequences to the Fund and its unitholders under the Tax Act.
- There may be disagreements with the CRA regarding the computation of a the income of a Fund for purposes of the Tax Act which could increase the tax liability of the Fund or its unitholders.

### *Reducing Risk*

Common strategies for reducing risk include:

- Diversifying across different asset classes, such as money market instruments, bonds and equity investments. Different types of investments tend to move independently from each other, so a positive performance in one asset class may help to offset the negative performance in another. This helps to reduce volatility and overall risk in the long term; and
- Carefully consider your time horizon, and do not take undue risk. For example, if you have a short time horizon, less than two (2) years, an investment in income or growth funds may not be suitable.

## **INVESTMENT RESTRICTIONS AND PRACTICES OF THE FUNDS**

Each Fund is subject to certain investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds (NI 81-102)*. These restrictions and practices are designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of each Fund. The Funds are managed in accordance with these restrictions and practices, subject to specific deviations approved by the applicable securities regulators.

Each Fund currently qualifies as a mutual fund trust under the Tax Act.

A change in a Fund's fundamental investment objective may only be made after obtaining the consent of a majority of votes cast by the Fund's unitholders present in person or by proxy, at a meeting called to consider the change. The voting rights of unitholders of the Fund are more fully described below.

## **DESCRIPTION OF SECURITIES OFFERED BY THE FUNDS**

The Equity Fund, the Income Fund and the Balanced Fund each offer an unlimited number of Class A, Class F and Class I units.

In the future, the offering of any class of units of a Fund may be terminated or additional classes of units may be offered.

- |                      |   |
|----------------------|---|
| <i>Class A units</i> | As there are no criteria for holding Class A units of the applicable Funds, anyone in any of the Provinces of Canada may purchase Class A units of such Funds through authorized dealers and advisors. Your dealer or advisor may charge you an upfront sales commission of up to five percent (5%) of the subscription price (where such subscription price includes the sales charge, if any) when you buy Class A units of such Funds. Barometer will pay a trailing commission to your dealer or advisor with respect to your Class A units of such Funds equal to one percent (1%) per annum of the NAV of your Class A units of such Funds. |
| <i>Class F units</i> | Certain dealers and advisors have agreements with Barometer which enable them to offer Class F units of the applicable Funds to their clients. Only a client who pays an annual fee to such a dealer or advisor pursuant to a fee-based program may invest in Class F units of such Funds. These fees are negotiated between you and your dealer or advisor. Your dealer or advisor does not receive any trailing commissions from Barometer with respect to your Class F units of such Funds. In addition, no sales charges are payable in respect of your purchase of Class F units of such Funds.  |
| <i>Class I units</i> | If you are an eligible investor, you can buy Class I units of the Funds through your dealer or advisor. Class I units of a Fund are generally available for purchase by certain investors who have invested a specified minimum amount in the Fund. A holder of Class I units of a Fund pays a management fee directly to Barometer. No sales charges are payable in respect of your purchase of Class I units of a Fund.   |
| <i>Distributions</i> | Each class of units of a Fund will be entitled to any distributions by the Fund equal to the net income of the Fund, less the management fee and expenses of the Fund.  |

## *Voting Rights*

Unitholders have no voting rights except as permitted by the Declaration of Trust of a Fund or as required by Canadian securities legislation. If a vote is required, you are entitled to one vote per unit of a Fund as set out in the Declaration of Trust of the Fund. A separate class vote is required if a particular class of units of a Fund is affected in a manner that is different from other classes of units of the Fund. The following matters currently require unitholder approval pursuant to securities legislation:

- changing the basis of the calculation of a fee or expense that is charged to a Fund or directly to its unitholders by the Fund or Barometer in a way that could result in an increase in charges to the Fund or its unitholders; however, no unitholder approval will be required if the Fund is at arm's length to the person or company charging the fee or expense and if a written notice of the change is provided to unitholders at least sixty (60) days before the effective date of the change;
- introducing a fee or expense to be charged to a Fund or directly to its unitholders by the Fund or Barometer in a way that could result in an increase in charges to the Fund or its unitholders;
- changing the manager of a Fund, unless the new manager is an affiliate of Barometer;
- changing the fundamental investment objective of a Fund;
- decreasing the frequency of the calculation of a Fund's NAV;
- undertaking a reorganization with, or transferring a Fund's assets to, another mutual fund, when the Fund will cease to continue after the transaction and the transaction will result in the unitholders of the Fund becoming unitholders of the other mutual fund; however, unitholder approval will not be required provided:
  - (i) the independent review committee of the Funds (as described under the section "*Independent Review Committee*" on page 7) has approved the change in accordance with NI 81-107, (ii) the Fund is being reorganized with, or transferring its assets to, another mutual fund to which NI 81-102 and NI 81-107 apply and that is managed by Barometer or an affiliate of Barometer, (iii) the reorganization or transfer of assets complies with required criteria described in NI 81-102, and (iv) a written notice describing the reorganization or transfer is sent to unitholders of the Fund at least sixty

(60) days before the effective date of the reorganization or transfer; and,

- if a Fund undertakes a reorganization with, or acquires assets from, another mutual fund, if the Fund continues after the transaction, and the transaction results in the unitholders of the mutual fund becoming unitholders of the Fund and the transaction would be a significant change to the Fund.

*Purchases*

Units of the Funds are offered on a continuous basis in each Province of Canada. Each Fund is valued in Canadian dollars only.

Subject to the discretion of Barometer to waive minimum investment amounts, the initial investment in securities of a Fund must be at least \$5,000. Any additional investment in a Fund must be at least \$500. In the case of systematic investment plans, the minimum initial investment is \$1,000 and subsequent purchases must be at least \$100. All complete orders will be processed within two (2) business days or such shorter period as may be required by the Canadian securities regulatory authorities. Please see the section entitled “*Purchases, Switches and Redemptions*” for more details.

*Redemption Rights*

Unitholders of a Fund are entitled to redeem securities in the Fund and to receive an amount for each unit redeemed equal to the NAV per unit of the Fund. Under certain circumstances, Barometer may suspend the right for redemption and postpone the date of payment of redemptions for any period provided that the suspension complies with applicable securities regulatory policies. Please see the section entitled “*Purchases, Switches and Redemptions*” for more details.

*Reclassification Rights*

You can reclassify your class of units of a Fund into another class of units of the Fund. There is no fee charged for a reclassification.

*Switches*

When we receive your order to switch units of a Fund into units of another Fund, we will redeem your units in the Fund from which you are switching, as described under “*Redemptions*” on page 17, and use the proceeds to purchase units of the same class of the other Fund to which you are switching. When you switch, you redeem the units of the original Fund you own at their net asset value. You then purchase units of the other Fund to which you are switching, also at its net asset value.

*Liquidation Rights*

If a Fund (or a particular class of units of the Fund) is ever terminated, each unit that you own will participate equally with each other unit of the same class of the Fund in the assets of that class of the Fund after all of the Fund’s liabilities (or those allocated to that class of units of the Fund being terminated) have been paid.

## NAME, FORMATION AND HISTORY OF THE FUNDS

This simplified prospectus contains information about the Equity Fund, the Income Fund and the Balanced Fund.

The Funds are open-end investment trusts organized under the laws of the Province of Ontario and are governed by a master declaration of trust dated January 1, 2013, and a supplemental declaration of trust specific to each Fund, as may be amended and restated from time to time. See “*Responsibility for Mutual Fund Administration – Trustee and Manager*” for more details.

The head office and principal place of business of the Funds is the head office of Barometer at 181 Bay Street, Suite 3220, Toronto, Ontario, M5J 2T3. Barometer may be contacted toll free at 1-866-601-6888 or by email at [info@barometercapital.ca](mailto:info@barometercapital.ca). Information about each Fund is also available at [www.barometercapital.ca](http://www.barometercapital.ca).

The following sets out details about the formation and history of the Funds:

<b>Fund Name</b>	<b>Former Name/ Re-organization</b>	<b>Date of Formation</b>	<b>Amendments to Fund Documents in the last 10 years</b>	<b>Change to Custodian</b>
Barometer Global Equity Fund	Barometer Disciplined Leadership Equity Fund	January 1, 2014	January 1, 2024 to change the name of the Fund.	N/A
Barometer Disciplined Leadership Tactical Income Growth Fund	Barometer Disciplined Leadership High Income Fund  Barometer Income Advantage Fund	January 1, 2013	January 1, 2016 to change the name of the Fund.  January 1, 2014 to change the name of the Fund and the custodian.	CIBC Mellon Trust Company replaced RBC Investor Services Trust, January 1, 2014
Barometer Disciplined Leadership Balanced Fund	Formerly the Barometer Global Equity Pool which was restructured to an open-end mutual fund and renamed to reflect the change.	January 1, 2015	N/A	N/A

## INVESTMENT RISK CLASSIFICATION METHODOLOGY

To help you decide which Fund is right for you, each has been assigned a risk ranking. The Fund's historical volatility is measured by its 10-year standard deviation of returns, and determines the Fund's investment risk level. As the Funds have been in operation for less than 10 years, Barometer has chosen a blended reference index based on each Fund's target asset allocation indicated by their investment strategy, to reasonably approximate its standard deviation. Based on the portfolio, the indices were chosen to represent a given asset class to broadly reflect sources of risk that would be normally present.

Fund	Reference Index	Description of Reference Index
Barometer Global Equity Fund	MSCI World ex USA Index (CAD)	The MSCI World ex USA Index (CAD) is comprised of large and mid cap companies from developed markets countries (excluding the U.S.) and covers approximately 85% of the free float-adjusted market capitalization in each constituent country.
Barometer Disciplined Leadership Tactical Income Growth Fund	50%/50% blend of the FTSE TMX Canada Universe Bond Index and the MSCI All Country World Index (CAD)	The FTSE TMX Canada Universe Bond Index is comprised of a broadly diversified selection of investment-grade Government of Canada, provincial, corporate and municipal bonds issued in Canada. The MSCI All Country World Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.
Barometer Disciplined Leadership Balanced Fund	50%/25%/25% blend of the FTSE TMX Canada Universe Bond Index, MSCI World Net Total Return Index (CAD) and the S&P/TSX Composite Total Return Index	The FTSE TMX Canada Universe Bond Index is comprised of a broadly diversified selection of investment-grade Government of Canada, provincial, corporate and municipal bonds issued in Canada. The MSCI World Net Total Return Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to capture large and mid-cap representations across developed markets. The S&P/TSX Composite Total Return Index is the primary index for the Canadian equity market.

Please find below the investment risk level assigned to each standard deviation range as outlined in NI 81-102:

<b>Standard Deviation Range</b>	<b>Investment Risk Level</b>
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

A Fund's investment risk level may be modified in circumstances where it is deemed reasonable and suitable.

Additional information about the methodology used by Barometer to determine a Fund's risk levels is available at your request, and at no cost, by using the contact information on the back of this simplified prospectus.

## **INFORMATION APPLICABLE TO ONE OR MORE FUNDS**

In this part of the simplified prospectus we have set out fund-specific information to assist you in reviewing the Funds and evaluating which Fund is appropriate for your investment needs. The specific information for each Fund is divided into the following sections.

### **Fund Details**

This section gives you a summary of each Fund with information such as what type of mutual fund it is and also highlights that units of the Fund are a qualified investment for Registered Plans.

### **What Does the Fund Invest In?**

#### *Investment objectives*

This section outlines the investment objectives of each Fund and the type of securities in which the Fund may invest to achieve those investment objectives.

#### *Investment strategies*

This section describes the principal investment strategies that the portfolio manager uses to achieve the Fund's investment objectives. It gives you a better understanding of how your money is being managed. The format also allows you to compare more easily how different mutual funds are managed.

#### Disciplined Leadership Approach™

All of the Funds utilize our Disciplined Leadership Approach™ which 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 those areas 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, we attempt to protect portfolios from remaining invested in unproductive assets or during pervasive market weakness.

#### Capturing Opportunity

Our belief is that portfolio performance is influenced by three key factors: asset class, sector weightings, and the business characteristics of the companies that the portfolio owns. As a result, our decision-making process focuses first on understanding key market and sector trends, including risk levels, and then through careful screening for specific fundamental and quantitative criteria we attempt to identify leading companies appropriate for the current investment environment. As markets change, investment styles (growth, value, etc.) cycle into and out of favour. We believe it is important to have a process that recognizes change and allows for the orderly transition of portfolio holdings as change occurs.

Identifying opportunities with the potential for superior performance requires constant vigilance. We run detailed analyses of our portfolios daily, in an effort to ensure that each holding continues to meet our tests and compares favourably to new opportunities as they arise.

### Managing Risk

Protecting the capital entrusted to us is of utmost importance. We seek to protect capital by the disciplined use of carefully defined monitoring and selling strategies along with the constant assessment of market and sector specific risks. In order to avoid holding a security through an extended decline, each investment position has a clearly identified, pre-determined selling price set below our entry price, which indicates a sell opportunity of an investment should it decline either below a certain price or a certain percentage. If our Barometer Market Risk Model™ indicates a high-risk environment, or there are no clear market leaders, the proceeds will remain in cash, short-term interest bearing notes or yield instruments until we have assessed that risk levels have become acceptable and new leadership emerges. This tactical use of cash and stop losses helps to protect a Fund's assets during periods of pervasive market declines as well as during periods when investments do not meet our criteria.

### Investing in Gaining Exposure to Underlying Funds

All of the Funds may invest in an underlying fund(s), either directly or by gaining exposure to an underlying fund through a derivative. In selecting an underlying fund, we assess a variety of criteria, including:

- management style;
- investment performance and consistency;
- risk tolerance levels;
- calibre of reporting procedures; and
- quality of the manager and/or portfolio advisor.

We review and monitor the performance of each underlying fund in which we invest or to which we obtain exposure. The review process consists of an assessment of each underlying fund. Factors such as adherence to the stated investment mandate, returns, risk adjusted return measures, assets, investment management process, style, consistency and continued portfolio fit may be considered. This process may result in suggested revisions to weightings of the underlying funds, the inclusion of new underlying funds or the removal of one or more underlying funds.

### How the Funds use Derivatives

Certain of the Funds may use derivatives. A Fund can only use derivatives to the extent permitted by the Canadian securities regulatory authorities, and only if the use of such derivatives is consistent with the Fund's investment objectives. A derivative is a financial instrument whose value is derived from the value of an underlying interest, usually in the form of a security or an asset. There are many different kinds of derivatives, but derivatives usually

take the form of an agreement between two parties to buy or sell an asset, such as a basket of stocks or a bond, at a future date for an agreed upon price. The most common kinds of derivatives are futures contracts, forward contracts, options, and swaps:

- (a) a future contract is an exchange-traded contract involving the obligation of a seller to deliver, and a buyer to receive certain assets (or a money payment based on the change in value of certain assets or an index);
- (b) a forward contract is an over-the-counter (non-exchange traded) contract to buy or sell an asset at a specified price at a future date;
- (c) an option is an agreement that provides a holder with the right, but not the obligation, to do one or more of the following on terms or at a price established by or determinable by reference to the agreement at or by a time established by the agreement: (i) receive an amount of cash determinable by reference to a specified quantity of the underlying interest of the option; (ii) purchase a specified quantity of the underlying interest of the option; or (iii) sell a specified quantity of the underlying interest of the option; and
- (d) a swap is an exchange between two parties of one security for another.

A Fund may use derivatives for either hedging or effective exposure (non-hedging) purposes. When a Fund uses derivatives for non-hedging purposes, it is required by securities legislation to hold enough cash, cash equivalents, or other securities to fully cover its derivative positions. Options used for non-hedging purposes will represent no more than ten percent 10% of the net asset value of a Fund. You can find out how a Fund may use derivatives under the heading “*Investment Strategies*” in the Fund Specific Information of each Fund. Refer to *What are the Risks of Investing in a Mutual Fund? - Derivative Risk* for more information.

#### How the Funds Engage in Securities Lending Transactions

The Funds currently enter into securities lending transactions, and may enter into repurchase transactions and reverse repurchase transactions.

A securities lending transaction is where a Fund lends portfolio securities that it owns to a third-party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of a combination of cash and securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

A repurchase transaction is where a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the Fund from the third party. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a Fund purchases certain types of debt securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the debt instruments and the resale price provides the Fund with additional income.

As indicated above, securities lending, repurchase and reverse repurchase transactions enable the Funds to earn additional income and thereby enhance their performance.

A Fund will not enter into a securities lending transaction or a repurchase transaction if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it, or sold by the Fund in repurchase transactions and not yet repurchased, would exceed 50% of the total assets of the Fund (exclusive of collateral held by the Fund for securities lending transactions and cash held by the Fund for repurchase transactions). Refer to *Repurchase Agreement Risk* and *Securities Lending Risk*, for more information.

#### How the Funds Engage in Short Selling

The Funds may short sell a security as permitted by securities regulations. A short sale by a Fund involves borrowing securities from a lender and selling those securities in the open market (or *selling short* the securities). At a later date, the same number of securities are repurchased by that Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays compensation to the lender on the borrowed securities. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund will make a profit for the difference (less any compensation the Fund is required to pay to the lender). Selling short provides the Funds with more opportunities for profits when markets are generally volatile or declining.

The Funds will engage in short selling only within certain controls and limitations. Securities will be sold short only for cash and the Fund will receive the cash proceeds within normal trading settlement periods for the market in which the short sale is made. All short sales will be affected only through market facilities through which those securities normally are bought and sold. At the time securities of a particular issuer are sold short by a Fund, the aggregate market value of all securities of that issuer sold short will not exceed five percent (5%) of the total assets of the Fund and the aggregate market value of all securities sold short by the Fund will not exceed 20% of its total assets. A Fund may deposit assets with lenders in accordance with industry practice in relation to its obligations arising under short sale transactions. A Fund also will hold cash cover in an amount, including the Fund's assets deposited with lenders that are at least 150% of the aggregate market value of all securities it sold short on a daily marked-to-market basis. No proceeds from short sales will be used by a Fund to purchase long positions other than cash cover.

#### Portfolio Turnover Rate

Each Fund may, from time to time, engage in trading which results in a portfolio turnover rate greater than 70%. There are larger trading costs associated with a high portfolio turnover rate which may reduce a Fund's performance.

### *Description of Securities*

This section tells you the specific Class of units offered by a Fund. Also see “*Description of Securities Offered by the Funds*” from pages 42 to 44 of this simplified prospectus for more information.

### *Distribution Policy*

Each Fund indicates in its *Distribution Policy* the frequency of distributions. The characterization of the distributions from a Fund for Canadian income tax purposes will not be finalized until after the Fund’s taxation year. Distributions made to unitholders of a Fund may be comprised of capital gains, dividends or ordinary income, return of capital, or some combination of these, depending on the investment activities of the Fund throughout the course of its taxation year. If a Fund pays a distribution, it will be automatically reinvested without charge in additional units of the Fund unless you ask in writing to have them invested in another Fund. You can ask to receive your distributions in cash for units of a Fund that you hold in a non-registered account. We may change the distribution policy of a Fund at our discretion. For more information about distributions see “*Income Tax Considerations for Investors*” from pages 27 to 30.

### *What are the Risks of Investing in this Fund?*

This section shows the specific risks associated with an investment in a Fund. You will find an explanation of each risk beginning on page 33 of this simplified prospectus.

**BAROMETER GLOBAL EQUITY FUND****FUND DETAILS**

<b>TYPE OF FUND</b>	Global Markets Equity Ex-USA
<b>REGISTERED PLAN ELIGIBILITY</b>	Yes

**WHAT DOES THE FUND INVEST IN?****Investment Objectives**

The Fund's objective is to achieve long-term capital appreciation by investing primarily in equity securities without geographic restrictions. The Fund's holdings are also not restricted by market capitalization, size or sector. However, due to our strict liquidity requirements, we focus our investments in actively traded securities.

Any change to the fundamental investment objectives of the Fund must be approved by a majority of votes cast at a meeting of unitholders of the Fund held for that purpose.

**Investment Strategy**

The Fund expects to observe the following strategies to achieve its investment objective:

- the Fund may invest in equity, and on occasion in fixed income securities, of issuers located anywhere in the world, including those in emerging markets.
- the Fund may invest a relatively large portion of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region.
- the Fund may use a combination of top down macro analysis and fundamental analysis for bottom up security selection.
- the Fund also uses quantitative models that systematically evaluate these and other factors.

Up to 100% of the Fund's assets may be invested in foreign securities. The Fund may also invest in fixed income securities such as high yielding government and corporate bonds, debentures, loans and notes. This may include securities that are unrated or have a credit rating below investment grade. The Fund may not be fully invested at all times, and as a consequence, may hold cash and cash equivalents (including short-term debt instruments) as well as to the extent needed to pay its fees and operating expenses, make distributions and Fund redemptions. At Barometer's discretion, the Fund may hold positions that do not meet the selection criteria of the Fund, which may occur due to special situations, applicable laws, the size of the portfolio or other considerations. For example, the Fund may hold cash, or increase its holdings of bonds, other debt securities or short-term securities if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund may also use derivatives consistent with its investment objectives. The Fund may use derivatives such as options, futures, forward contracts and swaps, and other similar instruments for hedging and non-hedging purposes to provide exposure to securities, indices or currencies without investing in them directly. Derivatives may also be used to manage risk. Please refer to *What Does the Fund Invest In? - How the Funds use Derivatives* from pages 49 to 50.

The Fund has entered into securities lending transactions, and may enter into repurchase transactions to generate additional income from securities held in its portfolio in a manner that is consistent with its investment objectives and as permitted by the Canadian securities administrators.

Trading costs may increase depending upon the portfolio manager's buying and selling activities of the Fund's investments. This may in turn lower the Fund's returns. It also increases the possibility that you'll receive distributions. Generally, distributions are taxable if you hold units of the Fund in a non-registered account. There is not necessarily a relationship between the Fund's turnover rate and its performance.

### **Description of securities offered by the fund**

The Fund offers, Class A Units, Class F Units and I Units. These securities are units of a mutual fund trust.

Please see "*Description of Securities Offered by the Funds*" for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 42.

### **Distribution Policy**

This Fund intends to distribute any net income and any net capital gains annually in December. For all classes, we automatically reinvest all distributions in additional units of the Fund unless you tell your dealer to inform us that you want them in cash. You should ensure that your dealer or advisor informs us if you want your distributions in cash.

### **What are the Risks of Investing in the Fund?**

The Fund is subject to general and specific risks described in the section entitled "*What are the Risks of Investing in a Mutual Fund?*" on page 33.

Additional information about the methodology used by Barometer to determine the Fund's risk level is available at your request, and at no cost, by using the contact information on the back of this simplified prospectus.

**BAROMETER DISCIPLINED LEADERSHIP TACTICAL INCOME GROWTH FUND****FUND DETAILS**

<b>TYPE OF FUND</b>	Global Equity and Fixed Income
<b>REGISTERED PLAN ELIGIBILITY</b>	Yes

**WHAT DOES THE FUND INVEST IN?****Investment Objectives**

The Fund's objective is to generate income and long term capital growth by investing in a combination of equity and fixed income securities of issuers located anywhere in the world, including those in emerging markets. Exposure may be from any combination of holding such equity and fixed income securities, investments in other mutual funds and derivatives.

Any change to the fundamental investment objectives of the Fund must be approved by a majority of votes cast at a meeting of unitholders of the Fund held for that purpose.

**Investment Strategy**

We use our Disciplined Leadership Approach™ to manage the investment portfolio of the Fund. The Fund expects to observe the following strategies to achieve its investment objective:

- the Fund may invest in equity and fixed income securities of issuers located anywhere in the world, including those in emerging markets.
- the Fund may use a combination of top down macro analysis and fundamental analysis for bottom up security selection.
- the Fund may invest a relatively large portion of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region.
- the Fund also uses quantitative models that systematically evaluate these and other factors.

The Fund does not have a fixed allocation of equity securities to fixed income securities. Up to 100% of the Fund's assets may be invested in foreign securities. Investments in fixed income securities may consist of high yielding government and corporate bonds, debentures, loans and notes. This may include securities that are unrated or have a credit rating below investment grade. At Barometer's discretion the Fund may hold positions that do not meet the selection criteria of the Fund. This may occur due to special situations, applicable laws, the size of the portfolio or other considerations. The Fund may not be fully invested at all times, as a result of the foregoing or otherwise and may hold cash and cash equivalents (including short term debt instruments) to

## Barometer Disciplined Leadership Tactical Income Growth Fund

the extent needed to pay its fees and operating expenses, make distributions and fund redemptions. Additionally, the Fund may hold cash, bonds, other debt securities or invest in short-term securities if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund also may seek additional income through:

- investment in real estate investment trusts;
- royalty trusts, income trusts, master limited; and
- partnerships and other similar investments.

The Fund may also use derivatives consistent with its investment objectives. The Fund may use derivatives such as options, futures, forward contracts and swaps, and other similar instruments for hedging and non-hedging purposes to provide exposure to securities, indices or currencies without investing in them directly. Derivatives may also be used to manage risk. Please refer to *What Does the Fund Invest In? - How the Funds use Derivatives* from pages 49 to 50.

The Fund has currently entered into securities lending transactions, and may enter into repurchase transactions to generate additional income from securities held in its portfolio in a manner that is consistent with its investment objectives and as permitted by the Canadian securities administrators.

### **Description of Securities Offered by the Fund**

The Fund offers, Class A Units, Class F Units and I Units. These securities are units of a mutual fund trust.

Please see “*Description of Securities Offered by the Funds*” for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 42.

### **Distribution Policy**

The Fund expects to have regular monthly distributions. Distributions are not guaranteed and may change from time to time at Barometer’s discretion. If during the year the Fund earns, in total, more distributable income and capital gains than the regular monthly distributions, it will distribute the excess in a special distribution at year end. If the Fund earns less than the regular monthly distributions, the difference will take the form of a return in capital, as part of those distributions. You will receive a distribution if you are a unitholder of record of units on the day before the day of the distribution.

All distributions by a class of units of the Fund will be automatically reinvested for you into new units of the same class of the Fund, as the case may be, at the applicable NAV per class unit. You do not pay any sales charges upon reinvesting in units of the Fund pursuant to a reinvestment of distributions.

**What are the Risks of Investing in the Fund?**

The Fund is subject to general and specific risks described in the section entitled “*What are the Risks of Investing in a Mutual Fund?*” on page 33 of this simplified prospectus.

Additional information about the methodology used by Barometer to determine the Fund’s risk level is available at your request, and at no cost, by using the contact information on the back page of this simplified prospectus.

**BAROMETER DISCIPLINED LEADERSHIP BALANCED FUND****FUND DETAILS**

<b>TYPE OF FUND</b>	Equity and Fixed Income
<b>REGISTERED PLAN ELIGIBILITY</b>	Yes

**WHAT DOES THE FUND INVEST IN?****Investment Objectives**

The Fund's objective is to achieve long-term capital appreciation by investing primarily in equity and fixed income securities without geographic restrictions. The Fund's holdings are also not restricted by market capitalization, size, or sector. However, due to our strict liquidity requirements, we focus our investments in actively traded equity and income securities.

Any change to the fundamental investment objectives of the Fund must be approved by a majority of votes cast at a meeting of unitholders of the Fund held for that purpose.

**Investment Strategy**

We use our Disciplined Leadership Approach™ to manage the investment portfolio of the Fund. The Fund expects to observe the following strategies to achieve its investment objective:

- the Fund's objective is to maintain exposure to both fixed income and equity securities;
- the Fund will seek to maintain as a minimum exposure to fixed income securities in the amount of 25%;
- the Fund will focus on North American fixed income and equity securities, but may invest in issuers located anywhere in the world;
- the Fund may invest a relatively large portion of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- the Fund uses a combination of top down macro analysis and fundamental analysis for bottom up security selection; and
- the Fund also uses quantitative models that systematically evaluate these and other factors.

Investments in fixed income securities may consist of high yielding government and corporate bonds, debentures, loans and notes. This may include securities that are unrated or have a credit rating below investment grade. The Fund may not be fully invested at all times, and as a consequence, may hold significant cash and cash equivalents (including short-term debt

## Barometer Disciplined Leadership Balanced Fund

instruments). As well, to the extent needed to pay its fees and operating expenses or make distributions and Fund redemptions, the Fund may hold cash. At Barometer's discretion, the Fund may hold positions that do not meet the selection criteria of the Fund, which may occur due to special situations, applicable laws, the size of the portfolio or other considerations. For example, the Fund may hold cash, or increase its holdings of bonds, other debt securities or short-term securities if determined to be appropriate for the purposes of enhancing liquidity or preserving capital in light of prevailing market or economic conditions.

The Fund may also use derivatives consistent with its investment objectives. The Fund may use derivatives such as options, futures, forward contracts and swaps, and other similar instruments for hedging and non-hedging purposes to provide exposure to securities, indices or currencies without investing in them directly. Derivatives may also be used to manage risk. Please refer to *What Does the Fund Invest In? - How the Funds use Derivatives* from pages 49 to 50.

Up to 100% of the Fund's assets may be invested in foreign securities.

The Fund has currently entered into securities lending transactions, and may enter into repurchase transactions to generate additional income from securities held in its portfolio in a manner that is consistent with its investment objectives and as permitted by the Canadian securities administrators.

Trading costs may increase depending upon the portfolio manager's buying and selling activities of the Fund's investments. This may in turn lower the Fund's returns. It also increases the possibility that you'll receive distributions. Generally, distributions are taxable if you hold units of the Fund in a non-registered account. There is not necessarily a relationship between the Fund's turnover rate and its performance.

### **Description of Securities Offered by the Fund**

The Fund offers, Class A Units, Class F Units and I Units. These securities are units of a mutual fund trust.

Please see "*Description of Securities Offered by the Funds*" for more information and for a full discussion of the securityholder rights which apply to the fund beginning on page 42.

### **Distribution Policy**

The Fund expects to have regular monthly distributions. Distributions are not guaranteed and may change from time to time at Barometer's discretion. If during the year the Fund earns, in total, more distributable income and capital gains than the regular monthly distributions, it will distribute the excess in a special distribution at year end. If the Fund earns less than the regular monthly distributions, the difference will take the form of a return in capital, as part of those distributions. You will receive a distribution if you are a unitholder of record of units on the day before the day of the distribution.

All distributions by a class of units of the Fund will be automatically reinvested for you into new units of the same class of the Fund, as the case may be, at the applicable NAV per class unit. You

do not pay any sales charges upon reinvesting in units of the Fund pursuant to a reinvestment of distributions.

**What are the Risks of Investing in the Fund?**

The Fund is subject to general and specific risks described in this simplified prospectus in the section entitled “*What are the Risks of Investing in a Mutual Fund*” on page 33.

Additional information about the methodology used by Barometer to determine the Fund’s risk level is available at your request, and at no cost, by using the contact information on the back of this simplified prospectus.



<p><b>BAROMETER GROUP OF FUNDS</b></p>
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Additional information about each Fund is available in that Fund's 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 calling toll-free 1- 866-601-6888, or from your dealer or advisor or by email at [info@barometercapital.ca](mailto:info@barometercapital.ca).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Barometer Capital Management Inc. designated website at [www.barometercapital.ca](http://www.barometercapital.ca), or on the SEDAR+ Internet site at [www.sedarplus.ca](http://www.sedarplus.ca).

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