

Conflict of Interest Disclosure Statement

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Securities legislation in Canada requires Barometer Capital Management Inc. (“**Barometer**”) to make certain disclosures regarding conflicts of interest. This statement is to inform you of the nature and extent of conflicts of interest that might be expected to arise between Barometer and its clients.

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact.

Material Conflicts of Interests

A “conflict of interest” occurs whenever the personal interests of Barometer, or an individual acting on its behalf, may potentially conflict with those of a client, or in a situation where Barometer, or an individual acting on its behalf, has an obligation to more than one party whose interests are different. A conflict of interest can also exist where monetary or non-monetary benefits are made available to Barometer, or an individual acting on its behalf, as incentives.

Conflicts of interest may be large enough to be material (in which case they are addressed as described in this disclosure statement) or small enough to be immaterial (in which case no further action is taken to address them). In determining the materiality of a conflict of interest, Barometer will consider whether the conflict may be reasonably expected to affect the decisions of its client in a particular situation or the recommendations and/or decisions Barometer makes on behalf of its client.

Barometer addresses material conflicts of interest in the best interest of its clients. This is done by placing the interests of clients first, ahead of the personal interest of Barometer and any other competing considerations. As such, Barometer takes reasonable steps to identify, address and avoid, any existing material conflicts of interest or foreseeable material conflicts of interest that we would reasonably expect to arise (i.e., between us and a client and between each individual acting on our behalf and a client). Barometer determines the level of risk for each material conflict. Barometer avoids situations that would result in a serious conflict of interest that would be too high a risk for clients or market integrity and will ensure that it will act in the client’s best interest. In other circumstances involving a conflict of interest, Barometer takes the appropriate steps to control the conflict of interest. Similarly, if a particular conflict is capable of being addressed by using controls, but the specific controls being used by us are not sufficiently mitigating the effect of the conflict, we will avoid that conflict until we have implemented controls sufficient to address the conflict in the best interest of the client.

Individuals acting on behalf of Barometer also are required to identify potential conflicts of interest and bring them to the attention of Barometer, and will also disclose any relevant information that may arise in a potential conflict of interest to Barometer. If the individual is uncertain as to whether a potential conflict of interest exists or could arise, the matter will be directed to our Chief Compliance Officer for discussion. Any individual who identifies a potential conflict of interest will await approval from our Chief Compliance Officer prior to acting on behalf of the client, in order to ensure that any actions taken on the client’s behalf are in their best interest.

Barometer, whose office is located in Toronto, Ontario is registered as a portfolio manager and exempt market dealer in each province and territory of Canada, as an investment fund manager in Ontario, Québec and Newfoundland and Labrador, and as a commodity trading manager in Ontario. Barometer is primarily in the business of providing discretionary investment advisory services to its clients who may end up investing in one of its pooled funds, the Barometer Group of Funds, or its public funds, the Barometer Mutual Funds, or one of its specialized limited partnerships (collectively, the “**Barometer Funds**”).

The Barometer Mutual Funds are also public mutual funds and have an independent review committee, which reviews and advises on any conflict of interests affecting those funds.

Barometer has policies and procedures to identify and control actual or potential conflicts of interest matters related to any of its funds.

Barometer takes proactive measures to anticipate reasonably foreseeable conflicts of interest, assesses the materiality of such conflicts to distinguish between those conflicts that are material and those that are not and has developed adequate procedures identify existing conflicts. The situations in which Barometer could be in a conflict of interest, and the way in which Barometer intends to respond to such conflicts, are described below.

Proprietary Products

Barometer typically only offers the Barometer Funds to its clients. When recommending the Barometer Funds to a client, Barometer seeks to ensure that those Barometer Funds are suitable for that client.

Investments in Related or Connected Issuers

As manager of its investment funds, Barometer is connected to its own proprietary investment funds, the Barometer Funds, which are connected issuers of Barometer.

A person or company is connected to another person or company if, due to its relationships with such person or company, a prospective purchaser of securities of the person or company might question the other person or company's independence from the first person or company.

Referral Arrangements

Barometer may enter into referral arrangements with another party who may refer clients to Barometer for a fee. Details of the referral arrangement, including the fee paid by Barometer to the other party and the nature of any existing or reasonably foreseeable conflicts of interests that may arise from such referral will be disclosed to the clients being referred.

Conflicts of Interest Relating to Barometer Personnel/Personal Trading

Our personnel may find themselves in situations where their personal interests are in conflict with those of a client.

Our Code of Ethics and related policies and procedures establish basic principles for employee conduct which, among other things, prohibit an employee from:

- Using confidential information acquired in connection with his or her duties;
- Accepting gifts, entertainment and compensation that would influence decisions to be taken in the course of performing his or her duties; and
- Engaging in activities that could interfere or conflict with his or her duties.

Barometer does not allow any of its personnel to engage in activities outside the scope of their duties, including serving as a director of a company or other entity, without first ensuring that such activities do not compromise the interests of our clients.

When Barometer staff invest in the same securities as Barometer, including its funds, there is a perceived or potential conflict of interest that the staff person may benefit from opportunities at the expense of our clients or our funds. Our Code of Ethics sets out standards for business conduct so as to prevent conflicts of interest and we have established personal trading policies and procedures to monitor personal trades of employees, officers and directors who have access to information about client portfolios and the Barometer Funds. Every Barometer employee is considered an access person and must obtain prior written approval for trades in securities in personal accounts and accounts over which they have a beneficial interest or control. Blackout

periods are also applied. Personal trading records are reviewed against brokerage statements and trading approvals on a quarterly basis.

Best Execution and Soft Dollars

When placing orders for and on behalf of clients' accounts, Barometer will select those brokers and dealers from whom we reasonably can expect to obtain the best execution (after considering all transaction costs and research or other benefits). Barometer may receive soft dollars in connection with trades in securities on behalf of clients and the Barometer Funds. Soft dollars create a perceived or potential conflict of interest to the extent that Barometer may use soft dollars for services that benefit Barometer, but not necessarily all or any of our clients or our funds. Barometer complies with Canadian regulatory requirements for soft dollar practices. Copies of our best execution and soft dollar policies are available on request.

Fair Allocation Among Clients

Barometer is appointed to act as an advisor to many of our clients. We may aggregate orders for a number of our client accounts for the purchase of a particular security. An unfair allocation of trades by us is a potential conflict of interest. To avoid any potential conflicts of interest, we have adopted trading policies designed to ensure fair allocation of securities among our clients. A copy of our fair allocation policy is provided to new clients before opening an account with us and thereafter when a significant change to this policy is made. A copy is available on request.

Fees and Valuation

Barometer charges its clients fees for its advisory services based on a percentage of the market value of each client's account.

Barometer is responsible for arranging for the valuation of its clients' assets and determining the market value of each client's account. Valuation is a potential conflict of interest because of our interest in valuing a security to show good performance and to obtain a good ranking and thereby attract more investment which may conflict with our fiduciary responsibility to our clients to provide accurate performance calculations for investment-making purposes. Barometer has appointed a third party service provider to obtain the prices of securities in each clients' account and in the Barometer Funds. Barometer also has valuation policies and procedures designed to mitigate any potential conflicts of interest.

Expense Allocation Among Funds and in a Fund

All operating expenses of the Barometer Funds are allocated in an equitable manner. Operating expenses are generally allocated based on assets of each Barometer Fund. Barometer has also established procedures to fairly allocate expenses between the Barometer Funds.

Pricing Errors

Barometer may have a potential conflict of interest when determining when and how to deal with a pricing error or other type of securityholder account error, due to the time, processing cost and reimbursement of the investors involved. Barometer uses a third party service provider to calculate the net asset values of the Barometer Funds. Barometer also has policies that establish consistent standards for the correction of discrepancies in the calculation of the net asset value of the Barometer Funds and is in accordance with industry guidelines.

Proxy Voting

Barometer generally has discretion in voting the portfolio securities purchased for its clients. A perceived conflict of interest arises because of the opportunity for us to vote the securities or to agree to certain corporate actions in our own interest. To minimize this potential conflict, Barometer has contracted with an independent third party to provide proxy voting recommendation and voting record services. Clients may request a copy of the third party's policies and procedures. Barometer



does not invest in securities of issuers in order to exercise control over, or participate in, the management of issuers. An individual proxy voting report is sent to all clients as part of that's client monthly report. A record of the proxy voting for the Barometer Funds is available on request.

Other Conflicts of Interest

From time to time, other conflicts of interest may arise. Barometer will continue to take appropriate measures to identify and respond to such situations fairly and reasonably and in the best interests of its clients.

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This document is kept current and is posted on our website at www.barometercapital.ca or you may contact us for the most recent version at contact@barometercapital.ca.

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