



# Bridgehouse Funds

Simplified Prospectus dated May 13, 2019

Offering Series A securities, Series D securities, Series F securities and Series I securities of:

**Brandes Canadian Equity Fund**  
**Brandes Emerging Markets Value Fund**  
**Brandes Global Small Cap Equity Fund**  
**Brandes International Equity Fund**  
**Morningstar Strategic Canadian Equity Fund**  
**Sionna Canadian Equity Fund**

and offering Series A securities, Series AH securities, Series D securities, Series F securities, Series FH securities, Series I securities and Series IH securities of:

**Brandes Global Equity Fund**

and offering Series A securities, Series F securities and Series I securities of:

**Brandes Global Opportunities Fund**  
**Brandes U.S. Small Cap Equity Fund\***  
**Bridgehouse Canadian Bond Fund (formerly, Greystone Canadian Bond Fund)**  
**Lazard Emerging Markets Multi-Asset Fund**  
**Lazard Global Balanced Income Fund**  
**Morningstar Aggressive Portfolio**  
**Morningstar Balanced Portfolio**  
**Morningstar Conservative Portfolio**  
**Morningstar Growth Portfolio**  
**Morningstar Moderate Portfolio**  
**Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)**  
**Sionna Opportunities Fund**

and offering Series A securities, Series AH securities, Series F securities, Series FH securities, Series I securities and Series IH securities of:

\* Brandes U.S. Small Cap Equity Fund was closed to new purchases on January 29, 2019 and will be merged into Brandes Global Small Cap Equity Fund on or about August 23, 2019, following which it will be terminated.

**Brandes Corporate Focus Bond Fund**  
**Brandes U.S. Equity Fund**  
**Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)**  
**Lazard Global Equity Income Fund**  
**Lazard Global Managed Volatility Fund**

and offering Series A securities and Series F securities of:

**Brandes Canadian Money Market Fund**

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

These Funds and the securities of the Funds under this Annual Information Form are not registered with the United States Securities and Exchange Commission.

Bridgehouse Asset Managers™ is a trade name and trade-mark of Brandes Investment Partners & Co., the manager of the Funds. The Bridgehouse Asset Managers design is a trade-mark owned by Brandes Investment Partners & Co.

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## Introduction

This Simplified Prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor in the Funds listed on the cover of this document.

To make this document easier to read, we use the following terms throughout:

- *We, us, our, Bridgehouse Asset Managers, Bridgehouse, Brandes* and *the Manager* refer to Brandes Investment Partners & Co.
- *You* refers to an individual investor or everyone who invests or may invest in the Funds, as the context requires
- *Dealer* refers to the company where your Financial Advisor works
- *Financial Advisor* refers to the representative(s) in your province or territory who advises you on your investments
- *Fund(s)* refers to one or more of our Bridgehouse Funds listed on the cover of this document. The Funds are collectively referred to as the “Bridgehouse Funds”. We may use the word “fund” to refer to mutual funds generally.
- *Original cost* refers to the amount paid for the original securities of a Fund plus the amount of any distributions associated with those securities
- *Employee Related Accounts* include but are not limited to the accounts of employees and former employees of the Manager, its alliance partners and service providers, and their respective family members and friends.
- *Financial Group* includes all accounts belonging to a single investor that hold series that are eligible for a fee reduction as outlined under the section entitled Large Investor Reductions.<sup>1</sup>
- *GST* refers to the tax levied by the Government of Canada on most goods and services pursuant to the *Excise Tax Act* (Canada) and commonly known as the Goods and Services Tax.
- *Hedged Funds* refers to the Funds that have Hedged Series of securities namely Brandes Global Equity Fund, Brandes U.S. Equity Fund, Brandes Corporate Focus Bond Fund, Lazard Global Compounders Fund, Lazard Global Equity Income Fund, and Lazard Global Managed Volatility Fund.
- *Hedged Series of securities* refers to Series AH, FH and IH securities of each of Brandes Corporate Focus Bond Fund, Brandes Global Equity Fund, Brandes U.S. Equity Fund, Lazard Global Compounders Fund, Lazard Global Equity Income Fund, and Lazard Global Managed Volatility Fund.
- *HST* refers to any harmonized sales tax which combines a Participating Tax Jurisdiction’s sales tax with GST.

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<sup>1</sup> As of May 10, 2018, only accounts belonging to a single investor that hold series that are eligible for a fee reduction as outlined under the section entitled Large Investor Reductions may qualify as a Financial Group. Prior to May 9, 2018, a Financial Group included all accounts belonging to a single investor, his or her spouse, family members residing at the same address, as well as accounts belonging to a corporation for which the investor and/or other members of the financial group beneficially own more than 50% of the voting equity of such corporation and accounts belonging to a trust for which the investor and/or other members of the financial group comprise greater than 50% of the trustees and greater than 50% of the beneficiaries of such trust. Accounts that qualified as a Financial Group pursuant to the foregoing definition on May 9, 2018 will continue to so qualify, provided that minimum investment amounts and other eligibility requirements continue to be met.

- *Non-Participating Tax Jurisdiction* refers to any province or territory other than a Participating Tax Jurisdiction
- *Participating Tax Jurisdiction* refers to the province of Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Ontario and for the purposes of this Simplified Prospectus, Quebec or any other province or territory of Canada, that in the future begins to apply HST (or, for the purpose of Quebec, QST/GST). Quebec has harmonized the QST with the GST and for the purpose of this Simplified Prospectus, is a Participating Tax Jurisdiction
- *Pooled funds* refers to non-prospectused qualified investment funds
- *QST* refers to the tax levied by the provincial government of Quebec on most goods and services and is commonly known as the Quebec Sales Tax
- *Funds* means Brandes International Equity Fund, Brandes Corporate Focus Bond Fund, Brandes Canadian Money Market Fund, Brandes Global Opportunities Fund, Brandes U.S. Small Cap Equity Fund<sup>2</sup>, Brandes U.S. Equity Fund, Brandes Global Equity Fund, Brandes Global Small Cap Equity Fund, Brandes Emerging Markets Value Fund, Brandes Canadian Equity Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Lazard Emerging Markets Multi-Asset Fund, Lazard Global Balanced Income Fund, Lazard Global Equity Income Fund, Lazard Global Managed Volatility Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, Morningstar Strategic Canadian Equity Fund, Sionna Canadian Equity Fund, Sionna Strategic Income Fund, and Sionna Opportunities Fund, which are organized as trusts.
- *Unhedged Series of securities* refers to Series A, D, F and I securities of Brandes Canadian Equity Fund, Brandes Emerging Markets Value Fund, Brandes Global Small Cap Equity Fund, Brandes International Equity Fund, Morningstar Strategic Canadian Equity Fund and Sionna Canadian Equity Fund, Brandes Global Equity Fund, Series A, F and I securities of Brandes Corporate Focus Bond Fund, Brandes Global Opportunities Fund, Brandes U.S. Small Cap Equity Fund, Brandes U.S Equity Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Lazard Emerging Markets Multi-Asset Fund, Lazard Global Balanced Income Fund, Lazard Global Equity Income Fund, Lazard Global Managed Volatility Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, Sionna Strategic Income Fund, and Sionna Opportunities Fund, to reflect that there is no currency hedging in respect of these series.

All currency amounts in this Simplified Prospectus are stated in Canadian dollars, unless otherwise indicated.

This Simplified Prospectus includes two sections. Section one, on pages 1 to 37, provides basic information about mutual funds and information that applies to all of the Funds. Section two, on pages 38 to 132, contains specific details about each Fund. Additional information about each Fund is available in:

- Our Annual Information Form (“AIF”)
- The most recently filed Fund Facts document
- The most recently filed annual financial statements of the Funds
- Any interim financial report of the Funds filed after those annual financial statements

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<sup>2</sup> Brandes U.S. Small Cap Equity Fund was closed to new purchases on January 29, 2019 and will be merged into Brandes Global Small Cap Equity Fund on or about August 23, 2019, following which it will be terminated.

- The most recently filed annual management report of fund performance, and
- Any interim management report of fund performance filed after that annual management report of fund performance

The AIF, Fund Facts documents, financial statements and management reports of fund performance are incorporated by reference into this document, just as if they were bound with it. You can get a copy of the Funds' Annual Information Form, Fund Facts documents, financial statements or management reports of fund performance at no cost from your Dealer, or by calling us toll-free at 1.888.861.9998.

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

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

## *What is a mutual fund?*

**A pool of investments** – A mutual fund is a pool of investments where you contribute your money along with many other people. A professional investment manager uses that money to buy different types of securities, including stocks, bonds, cash, and securities of other funds – depending on the fund’s investment objective.

**Buying securities** – The money you contribute to a mutual fund buys you a number of securities in the fund; therefore you are called a securityholder. Generally, you share the fund’s income, expenses and capital gains or losses in proportion to the number of securities you own, compared to other securityholders in the same fund.

**How the Funds are structured** – Each Fund is structured as an open-ended mutual fund trust created by a declaration of trust under the laws of Ontario. Brandes Investment Partners & Co., as trustee, holds the property and investments of each Fund in trust. Each Fund has the ability to issue an unlimited number of units.

**How HST, or GST plus QST may affect the Funds** – Ontario, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador (each a Participating Tax Jurisdiction) have combined their respective provincial sales taxes with the GST to create an HST which is applicable in each of these provinces. The QST and GST have been harmonized in Quebec and, for the purposes of this Simplified Prospectus, Quebec is a Participating Tax Jurisdiction. Each Fund’s HST, or GST plus QST, liability for management fees and operating expenses are determined based on a formula that considers whether those management fees and operating expenses are paid respectively in a Non-Participating Tax Jurisdiction, Quebec or a Participating Tax Jurisdiction. This calculation is achieved, in part, by tracking whether investors of a Fund reside in a Non-Participating Tax Jurisdiction, Quebec or a Participating Tax Jurisdiction.

## *Investment risks*

Mutual funds carry the risk that your investment may not perform as well as you hope, or expect, over a certain period of time and that you may lose money. The degree and type of risk varies from one fund to another, as described below.

The value of a mutual fund increases as the value of the investments it holds increases. Similarly, it may decrease. The value of your securities will go up or down with the value of the fund, so that when you decide to redeem your securities (and leave the fund) your securities will either be worth more or less than when you bought them.

Generally, mutual funds with the potential to produce high returns in a short time frame have a higher risk of producing negative returns. Conversely, mutual funds that target average, or slightly above average, performance over a longer time frame are considered to be less risky.

So, when choosing a mutual fund, you need to know how much risk you are willing to accept. Also consider how soon you think you will need the money you are investing. Historically, the longer you leave your money invested, the less associated risk, since there is more opportunity for periods of steady growth to overcome the impact of short-term negative market fluctuations.

**Your investment is not guaranteed** – The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

**Redemptions may be suspended** – Under exceptional circumstances, a mutual fund may not allow you to redeem your securities. See *Redemption Suspensions* on page 18 for details.

## ***Specific risks***

**Asset-backed securities and mortgage-backed securities risk** – Asset-backed securities are interests in pools of consumer or business loans. Some asset-backed securities are short-term debt obligations, called asset-backed commercial paper (“ABCP”). Mortgage-backed securities are interests in pools of residential or commercial mortgage loans. If there are changes in the market’s perception of the issuers of these types of securities, or in the creditworthiness of the parties involved, then the value of the securities may be affected. In the case of ABCP, there is an additional risk that there may be a mismatch in timing between the cash flow of the underlying assets backing the security and the repayment obligation of the security upon maturity. In the case of mortgage-backed securities, there is also a risk that there may be a drop in the interest rates charged on mortgages, a mortgagor may default in its obligations under a mortgage, or, there may be a drop in the value of the property secured by the mortgage.

**Capital Erosion risk** - If markets fell substantially and did not recover for a significant period, a Fund’s net asset value would likely drop in line with the market decline. A long-term decline in net asset value of a series of securities may force us to temporarily reduce distributions in an attempt to return the net asset value closer to the initial security price to avoid a significant erosion of capital and a long-term effect on the Fund’s ability to generate income. Erosion of capital may also occur during the year if distributions of a particular series of securities exceed the Fund’s income for that series.

**Concentration risk** – Some funds concentrate their investments in a portfolio made up of only a small number of securities – fewer than 85 issuers in some cases. Therefore, the securities in which they invest may not be diversified across many sectors. They also might be concentrated in specific regions or countries. By investing in a relatively small number of securities, the manager or portfolio advisor may have a significant portion of such Fund invested in a single security. The value of the portfolio will vary considerably in response to changes in the market value of that individual security. This may result in higher volatility.

**Credit Rating risk** - Companies and governments that borrow money, and the fixed income or debt securities they issue, are rated by specialized rating agencies. High-quality securities have high ratings, such as A or better. Some Fund investments may be unrated or have a credit rating below investment grade. These investments offer a better potential return than higher-grade instruments, but have the potential for substantial loss. In other words, both the risks and potential rewards are greater.

**Currency risk** – Each Fund’s assets and liabilities are valued in Canadian dollars. When a Fund buys foreign securities, however, they are purchased with foreign currency. The U.S. dollar, for example, fluctuates in value against the Canadian dollar. While the Fund can benefit from changes in exchange rates, an unfavourable move may reduce, or even eliminate, any return on a U.S. investment.

Our ability to make distributions or process redemptions assumes the continuing free exchange of the currencies in which a Fund is invested. However, certain foreign governments sometimes restrict the ability to exchange currencies.

**Cyber security risk** – As the use of technology has become more prevalent in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to a Fund’s digital information systems (e.g., through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund’s third party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Funds have established risk management systems designed to reduce the risks associated with cyber

security. However, there is no guarantee that such efforts will succeed, especially since the Funds do not directly control the cyber security systems of issuers or third party service providers.

**Derivative risk** – Derivative investments are sometimes used by mutual funds to meet their investment objective. A derivative is usually a contract between two parties where the value of the contract comes from the market price or value of an asset like currency or stocks or even an economic indicator such as stock market indices. Derivatives may be used to limit or hedge potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Derivatives may also be used for non-hedging purposes to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. The Funds may use derivatives only to the extent and within the limits permitted by the Canadian securities regulatory authorities.

Derivatives generally involve certain risks, which may include the following:

- The derivative hedging strategy to reduce risk may not be effective. The market value of the investment being hedged and the derivative instrument being used may not be perfectly correlated
- There is no guarantee a market will exist when a Fund wants to buy or sell one of these derivative contracts
- The other party to the contract may not be able to meet its financial obligations

Each Hedged Fund hedges against changes in currencies only in respect of the Hedged Series of securities. Each Hedged Fund is permitted to use options, forward contracts, swaps and other permitted derivatives to hedge the foreign currency exposure of the portions of the Fund attributable to the Hedged Series of securities.

**Emerging Markets risk** – Securities markets in emerging market countries may be smaller than those in more developed countries, making it more difficult to sell securities in order to take profits or avoid losses. Companies in these markets may have limited product lines, markets or resources, making it difficult to measure the value of the company. Potential political instability and corruption, as well as lower standards of regulation of business practices, increase the possibility of fraud and other legal problems. Therefore, the value of Funds that invest in emerging markets may rise and fall substantially.

**ETF risk** – A Fund may invest in a fund whose securities are listed for trading on an exchange (an “exchange-traded fund” or “ETF”). The investments of ETFs may include stocks, bonds, commodities and other financial instruments. Some ETFs, known as index participation units (“IPUs”) attempt to replicate the performance of a widely quoted market index. Not all ETFs are IPUs. While investment in an ETF generally presents the same risks as investment in a conventional mutual fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional mutual funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their NAV or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.
- Commissions may apply to the purchase or sale of ETF securities. Therefore, investment in ETF securities may produce a return that is different than the change in the net asset value of such securities.

**Fixed Income Credit risk** – In a fixed income investment like a government bond, “credit risk” is the possibility that the borrower (the bond issuer) will not be able to repay the loan, either on time or at all. Credit risk is the lowest among issuers that have good credit ratings from recognized credit rating agencies and highest among those with low credit ratings or no credit ratings at all. Issuers with higher credit risk typically pay higher interest rates than issuers with lower credit risk because higher credit risk exposes investors to greater risk of loss. Credit risk can increase or decrease throughout the term of the fixed income investment.

**Foreign Market risk** – Some Funds invest in securities sold outside North America. The value of foreign securities, and the security price of the Funds that hold them, may fluctuate more than Canadian investments because:

- Companies outside North America are not subject to the regulations, standards, reporting practices and disclosure requirements that apply in Canada and the U.S.
- Some foreign markets may not have laws to protect investor rights
- Political instability, social unrest or diplomatic developments in foreign countries could affect the Fund’s securities or result in their loss
- There is a chance that foreign securities may be highly taxed or that government-imposed exchange controls may prevent a Fund from taking money out of the country

**Fund-on-Fund risk** – A mutual fund may pursue its investment objectives by investing in securities of other funds or ETFs (‘underlying funds’) in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a mutual fund that invests in such underlying fund will be unable to value part of its portfolio and may be unable to redeem its securities. To the extent that a Fund invests in underlying fund(s), the Fund would be exposed to the risks to which such underlying funds are exposed and the risks of investing in such underlying funds.

**Income Trust Securities risk** – Income trusts commonly hold securities in or are entitled to receive payments from an underlying active business or investment in property. The value of income trusts can rise or fall for the same reasons that affect equity securities or because of changes in interest rates. 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. Accordingly, certain jurisdictions have enacted legislation to protect investors from some of this liability. Changes relating to the taxation of income of, and distributions by, certain publicly traded trusts (including income trusts) and partnerships (other than certain real estate investment trusts) have been enacted. Generally, the changes tax such trusts and partnerships on the amount of certain distributions or income allocations made by them. These distributions or allocations are treated as eligible dividends in the hands of investors. This tax could affect the return on investment in respect of publicly traded income trusts or limited partnerships that may be held by a Fund.

**Interest Rate risk** – Fixed-income securities, which include bonds, treasury bills and commercial paper, pay a fixed rate of interest. The value of Funds that purchase fixed-income securities will rise and fall as interest rates change. For example, when interest rates fall, the value of an existing bond will rise because the interest rate on that bond is greater than the market rate. Conversely, if interest rates rise, the value of an existing bond will fall. Certain convertible securities may also be subject to interest rate risk.

**Large Transaction risk** – Securities of the Funds may be purchased in large quantities by an investor or by another investment product, such as another Fund or any other investment fund. These types of investors may make large purchases or redemptions in a Fund, due to their substantial investment in a Fund. If these transactions are significant, they may impact the Fund’s cash flow, and the Fund may be required to alter its current investment portfolio by buying or selling a large portion of its investments. In the case where a large investor purchases securities with cash, the Fund may temporarily have a higher than normal cash position until this cash can be invested. In the case of a large redemption, the Fund may be required to sell existing investments at unfavourable prices if it does not have enough

cash on hand to fund the redemption. In order to mitigate the impact of this risk to securityholders, Bridgehouse asks, but does not require, large investors to provide notice when significant redemptions are being contemplated.

**Liquidity risk** – Some companies are not well known, have few shares outstanding, or can be significantly affected by political and economic events. Securities issued by these companies may be difficult to buy or sell and the value of Funds that buy these securities may rise and fall substantially.

For example, smaller companies may not be listed on a stock market or traded through an organized market. They may be hard to value because they are developing new products or services for which there is not yet an established market or revenue stream. They may have few shares outstanding, so a sale or purchase of shares will have a greater impact on the share price.

There are restrictions on the amount of illiquid securities a Fund is permitted to hold.

**Market risk** – Companies issue equities, or stocks, to help finance their operations and future growth. Investors who purchase these equities become part owners in these companies. The value of these equities varies according to how the market reacts to factors relating to the company, market activity, or the economy in general. For example, when the economy is expanding, the market tends to attach positive outlooks to companies and the value of their stocks tends to rise. The opposite is also true.

For small companies, start-ups, resource companies and companies in emerging sectors, the risks and potential rewards are usually greater. Some of the products and services offered by technology companies, for example, can become obsolete as science and technology advance. Usually, the greater the potential reward, the greater the risk.

**Series risk** – Each Fund’s securities are available in different series, each with its own set of fees and expenses. If, for any reason, a Fund cannot pay the expenses incurred by a particular series using its proportionate share of the Fund’s assets, the Fund will be required to pay those expenses out of the other series’ proportionate share of the assets. This can lower the investment return of the other series.

**Small and Mid-Cap Issuer risk** – Some Funds will invest in securities of issuers with relatively small equity market capitalizations. Smaller capitalization securities involve greater issuer risk than larger capitalization securities, and the markets for such securities may be more volatile and less liquid. Specifically, small capitalization companies often have limited product lines, markets or financial resources and may be dependent on one person or a few key persons for management. The securities of such companies may be subject to more volatile market movements than securities of larger, more established companies, because the securities typically are traded in lower volume and because the issuers typically are more subject to changes in earnings and prospects.

**Tax risk** – On occasion the Canada Revenue Agency (“CRA”) may disagree with the tax treatment employed by a Fund on a particular transaction and subject the Fund to additional income taxes on that transaction, which may result in an additional distribution to unitholders.

If a Fund experiences a “loss restriction event” (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a Fund could be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all securities in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of a Fund if the Fund meets the conditions to qualify as an “investment fund” under the Tax Act, including complying with certain asset diversification requirements.

**Repurchase, Reverse Repurchase and Securities Lending risk** – From time to time, some of the Funds may enter into repurchase transactions, reverse repurchase transactions and securities lending agreements to the extent and within the limits permitted by the Canadian securities regulatory authorities. In a repurchase transaction, the Fund sells a security at one price to a third party for cash and agrees to buy the same security back from the same party, again for cash, at a specified price on a designated future date. This is a way for the Fund to borrow short-term cash. In a reverse repurchase transaction, the Fund buys a security at one price from a third party and agrees to sell the same security back to the same party (usually at a higher price) later on. This is a way for the Fund to earn a profit (or interest) and for the other party to borrow some short-term cash. In a securities lending transaction the Fund loans the security to a third party for a fee and can demand the return of the security at any time. While the securities are on loan, the borrower provides the Fund with collateral consisting of a combination of cash and securities.

The risks with these types of transactions are that the other party may default under the agreement or go bankrupt. In a reverse repurchase transaction, the Fund may be left holding the security and may not be able to sell it at the same price it paid for it, plus interest, if the market value of the security has dropped. In the case of a repurchase or a securities lending transaction, the Fund could incur a loss if the value of the security sold or loaned has increased more than the value of the cash or collateral held.

To minimize these risks:

- The Funds require the other party to the transaction to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold or loaned, or 102% of the cash paid for the security, as applicable;
- The collateral held by the Fund may consist only of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan. Collateral is checked and reset daily;
- A Fund cannot loan more than 50% of its net assets; and
- The Fund's total exposure to any one borrower is limited to 10% of the total value of the Fund's assets.

**Portfolio Management risk** - All actively managed mutual funds are dependent on their portfolio management team to select investments. A poor security selection or market allocation may cause a mutual fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

**Illiquid Assets Valuation risk** - A mutual fund may invest a limited amount of its portfolio in illiquid assets. The valuation of these investments is determined daily. Illiquid assets may or may not be available for sale in the public marketplace. Illiquid assets available for sale in the public marketplace are valued using the exchange specific closing price unless there was no trading activity for the investment in which case the mid (average of bid and ask) price may be used. For illiquid assets where no published market exists, valuations are determined using the Manager's valuation policy (see additional information in the AIF under "Calculation of Net Asset Value and Valuation of Portfolio Securities"). The valuation of illiquid assets that have not had recent trading activity or for which market quotations are not publicly available has inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investment. The fair value process is subjective to a degree and, to the extent that these valuations are inaccurate, investors in the mutual fund may gain a benefit or suffer a loss when they purchase or redeem securities of a mutual fund that invests in illiquid assets.

# Organization and Management of the Funds

## MANAGER

Brandes Investment Partners & Co.  
operating as Bridgehouse Asset  
Managers

33 Yonge Street, Suite 300  
Toronto, Ontario M5E 1G4

1.888.861.9998  
inquiries@bridgehousecanada.com  
www.bridgehousecanada.com

Bridgehouse is responsible for managing the overall business and day-to-day operations of each of the Funds, including arranging for the provision of administration services and promoting sales of each Fund's securities through Financial Advisors in each province and territory of Canada. We may and do engage third parties to perform certain services on our behalf.

The Funds have the ability to invest in other mutual funds, subject to certain conditions. Where Bridgehouse is the Manager of the other mutual fund, Bridgehouse will not vote the securities of the other mutual fund. Instead, securityholders of the Fund may direct Bridgehouse how to vote the Fund's holdings in the other mutual fund.

## TRUSTEE

Brandes Investment Partners & Co.  
operating as Bridgehouse Asset  
Managers  
Toronto, Ontario

Each Fund is organized as a mutual fund trust. When you invest in a Fund, you are buying units of the trust. The trustee holds title to the securities owned by the Fund on your behalf.

## PORTFOLIO ADVISOR

Brandes Investment Partners & Co.  
operating as Bridgehouse Asset  
Managers  
Toronto, Ontario

As the portfolio advisor, we are responsible for the management of the investment portfolios of the Funds, including providing analysis and making decisions relating to the investment of the Funds' assets. We may and do engage portfolio sub-advisors with respect to each of the Funds. We are responsible for the investment advice and portfolio management services provided by each of the portfolio sub-advisors.

## PORTFOLIO SUB-ADVISORS

The portfolio sub-advisors are third party companies retained by us to help manage the investment portfolios of the Funds. The portfolio sub-advisors provide day-to-day analysis, investment advice and portfolio management relating to the investment of the Funds' assets.

Brandes Investment Partners, L.P.  
San Diego, California

Brandes Investment Partners, L.P. of San Diego, California is the portfolio sub-advisor in respect of each of the Funds other than as described below, for which no portfolio sub-advisor has been appointed.

It may be difficult to enforce any legal rights against Brandes Investment Partners, L.P. because it is resident outside Canada and a substantial portion of each of its assets are located outside of Canada.

Sionna Investment Managers Inc. Toronto, Ontario

Sionna Investment Managers Inc. of Toronto, Ontario is the portfolio sub-advisor in respect of Sionna Opportunities Fund and Sionna Canadian Equity Fund. Sionna Investment Managers Inc. is also a portfolio sub-advisor in respect of Sionna Strategic Income Fund, along with Brandes Investment Partners, L.P.

Lazard Asset Management (Canada), Inc. New York, New York

Lazard Asset Management (Canada), Inc. (“Lazard”) of New York, New York is the portfolio sub advisor in respect of Lazard Emerging Markets Multi-Asset Fund, Lazard Global Equity Income Fund, Lazard Global Balanced Income Fund, Lazard Global Managed Volatility Fund and Lazard Global Compounders Fund.

Lazard Asset Management LLC New York, New York

Lazard has retained Lazard Asset Management LLC, of New York, New York, as its sub-advisor.

It may be difficult to enforce any legal rights against each of these two portfolio sub-advisors because they are both resident outside Canada and a substantial portion of each of their assets are located outside of Canada.

Greystone Managed Investments Inc. Regina, Saskatchewan

Greystone Managed Investments Inc., operating as TD Greystone Asset Management (“Greystone”) of Regina, Saskatchewan is the portfolio sub advisor in respect of Bridgehouse Canadian Bond Fund and Brandes Canadian Money Market Fund.

Morningstar Associates Inc. Toronto, Ontario

Morningstar Associates Inc. (“Morningstar”) of Toronto, Ontario is the portfolio sub-advisor in respect of Morningstar Strategic Canadian Equity Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio and Morningstar Moderate Portfolio.

#### **CUSTODIAN**

State Street Trust Company Canada Toronto, Ontario

The custodian has custody of the portfolio assets and carries out settlement of portfolio transactions. It may retain sub-custodians to hold, and settle transactions in, Fund portfolio securities both inside and outside Canada.

#### **REGISTRAR**

International Financial Data Services (Canada) Limited Toronto, Ontario

Independent of the Manager, the registrar keeps track of owners of securities of each of the Funds, processes purchases, switch and redemption orders, issues investor account statements and trade confirmations and issues annual tax reporting information.

## **AUDITOR**

PricewaterhouseCoopers LLP  
Toronto, Ontario

The auditor examines the financial statements of the Funds to obtain reasonable assurance as to whether the financial statements presented are free of material misstatements.

Securityholder approval will not be required for a change in the auditor of a Fund provided the Independent Review Committee has approved such change and securityholders receive notice 60 days in advance of any such change in auditor.

## **SECURITIES LENDING AGENT**

State Street Bank and Trust  
Company  
Boston, Massachusetts

The securities lending agent acts on behalf of the Funds in administering securities lending transactions entered into by the Funds.

## **INDEPENDENT REVIEW COMMITTEE**

In accordance with National Instrument 81-107 - *Independent Review Committee for Mutual Funds*, the Manager has established an Independent Review Committee ("IRC") to provide impartial judgment on conflicts of interest matters related to the operations of mutual funds managed by it, including the Funds. The IRC became fully operational on November 1, 2007. Additional information about the IRC, including the names of its members, is available in the Funds' Annual Information Form. The IRC prepares, at least annually, a report of its activities for securityholders which is available on our website at [www.bridgehousecanada.com](http://www.bridgehousecanada.com) or, at your request and at no cost, by calling toll-free 1.888.861.9998, or by e-mail at [inquiries@bridgehousecanada.com](mailto:inquiries@bridgehousecanada.com). If approved by the IRC, we may merge a Fund into another mutual fund provided the merger fulfills the requirements of the Canadian securities regulators relating to mutual fund mergers and securityholders receive notice of any such merger at least 60 days before it takes effect. No meeting of securityholders of the Fund will be called to approve such merger.

## **Purchases, Redemptions and Switches**

Each Fund is entitled to the total return (including realized and unrealized gains) on the portfolio assets of the Fund less the Fund's operating expenses. The securities of each of the Funds are entitled to share in the total return of that Fund. The securities of each series have the right to receive distributions, as applicable, when declared, and to receive upon redemption the net asset value per security of the securities redeemed.

### ***Series of securities***

Each Fund is permitted to have an unlimited number of series of securities and may issue an unlimited number of securities of each series. Although the money which you and other investors pay to purchase securities is tracked on a series by series basis in your Fund's administration records, the assets of all series of your Fund are combined into a single pool to create one portfolio for investment purposes.

Brandes Canadian Equity Fund, Brandes Emerging Markets Value Fund, Brandes Global Small Cap Equity Fund, Brandes International Equity Fund, Morningstar Strategic Canadian Equity Fund and Sionna Canadian Equity Fund offer the following four series of securities: Series A, Series D, Series F and Series I.

Brandes Global Equity Fund offers the following seven series of securities: Series A, Series D, Series F, Series I, Series AH, Series FH and Series IH.

Brandes Global Opportunities Fund, Brandes U.S. Small Cap Equity Fund<sup>3</sup>, Bridgehouse Canadian Bond Fund, Lazard Emerging Markets Multi-Asset Fund, Lazard Global Balanced Income Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, Sionna Strategic Income Fund and Sionna Opportunities Fund offer the following three series of securities: Series A, Series F and Series I.

Brandes Corporate Focus Bond Fund, Brandes U.S. Equity Fund, Lazard Global Compounders Fund, Lazard Global Equity Income Fund and Lazard Global Managed Volatility Fund offer the following six series of securities: Series A, Series F, Series I, Series AH, Series FH and Series IH.

Brandes Canadian Money Market Fund offers the following two series of securities: Series A and Series F.

Different management fees apply depending on which series of securities is purchased and, in part, reflect the different trailing commissions payable to your Dealer. See *Fees and Expenses* on page 21 and *Dealer Compensation* on page 32 for details. Your Dealer is responsible for recommending the series most suitable for you. Bridgehouse does not monitor the appropriateness of any series of Funds for any investor and makes no determination as to the appropriateness of any series of Fund for any investor purchased through a Dealer, including investors who hold Funds in a discount brokerage account.

### ***Hedged versus Unhedged Series of Securities of the Hedged Funds***

The Hedged Series of securities of each Hedged Fund are intended for investors who wish to gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities of each Hedged Fund are intended for investors who wish to gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency.

Each Hedged Fund will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure. The Hedged Series of securities of each Hedged Fund will have a return that is based primarily on the performance of the portion of the Hedged Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Hedged Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities of each Hedged Fund will have a return that is based primarily on the performance of the portion of the Hedged Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Hedged Fund is not hedged by the Unhedged Series of securities using derivative instruments.

In determining the value of each Hedged Fund that will be attributed to its Hedged Series of securities and Unhedged Series of securities, the value of the Hedged Fund's portfolio holdings will be determined and divided among all series of securities of the Hedged Fund on a pro rata basis. The value of any foreign currency hedging derivatives will be allocated only to the Hedged Series of securities of the Hedged Fund on a pro rata basis, and any expenses or liabilities related to the foreign currency hedging will also be allocated only to the Hedged Series of securities of the Hedged Fund on a pro rata basis.

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<sup>3</sup> Brandes U.S. Small Cap Equity Fund was closed to new purchases on January 29, 2019 and will be merged into Brandes Global Small Cap Equity Fund on or about August 23, 2019, following which it will be terminated.

## **Series A Securities and Series AH Securities**

Series A securities and Series AH securities are available to all retail investors.

## **Series D Securities**

Series D securities are available to investors who acquire securities through a discount brokerage account or another type of account satisfactory to Bridgehouse and whose Dealer has signed an agreement with us. For investors investing through a discount brokerage account, Series D securities may be the most suitable series for you to own. If you hold a security of a Fund other than Series D securities and they are in a discount brokerage account, you should consider instructing your Dealer to reclassify/convert your securities into Series D securities, where available.

If Series D securities are transferred to a Dealer or another type of account with a financial intermediary with whom Bridgehouse does not have an agreement regarding Series D securities, as the case may be, the Series D securities held by an investor may be redeemed or may be switched by us to an equivalent value of Series A securities or Series AH securities, respectively, of the same Fund.

## **Series F Securities and Series FH Securities**

Series F securities and Series FH securities are available to investors who participate in fee-based programs through their Dealer and whose Dealer has signed an agreement with us. Participants in these programs are subject to periodic asset-based fees rather than commissions on each transaction. Bridgehouse may also make these securities available, generally through Dealers, to any other investor for whom Bridgehouse does not incur distribution costs. When you purchase Series F securities or Series FH securities, you pay an amount to your Dealer directly, as specified in your fee-for-service arrangement. Alternatively, an investment advisory fee plus any applicable taxes may be paid by redeeming some of the securities you own of the Fund. Where such an arrangement exists, an Investment Advisory Fee Agreement signed by your Dealer is provided to Bridgehouse. The annual fee is indicated in the agreement and is calculated daily and paid monthly to your Dealer. The monthly payment frequency in which fees are redeemed and remitted to your Dealer is subject to change at the discretion of Bridgehouse and/or your Dealer.

If an agreement between Bridgehouse and a Dealer is terminated, or if an investor chooses to withdraw from a fee-based program, the Series F securities and Series FH securities held by an investor may be switched by us to an equivalent value of Series A securities and Series AH securities, respectively, of the same Fund.

## **Series I Securities and Series IH Securities**

Series I securities and Series IH securities are special purpose securities not sold to the general public. Series I securities and Series IH securities are generally for large investors with necessary minimum investments who have entered into a Series I securities Subscription Agreement or Series IH securities Subscription Agreement with Bridgehouse or for employees of Bridgehouse or service providers to Bridgehouse or other large individual or institutional investors. We may vary the minimum investments for accounts that are expected to grow their investment significantly within a period of time acceptable to Bridgehouse or for employees of Bridgehouse or service providers to Bridgehouse. No management and advisory fees are charged to the Fund with respect to Series I securities or Series IH securities. Instead, each Series I investor and Series IH investor negotiates a separate fee that is paid directly to us.

## ***Purchases***

You can purchase, switch (transfer from one Fund to another) or redeem securities of the Funds through any Financial Advisor registered or exempt from registration with the securities regulator in your province or territory. Generally, the Financial Advisor you select is your agent to provide you with investment recommendations to meet your own risk/return objectives and to place orders on your behalf. We are not liable for the recommendations given to you by your Financial Advisor or Dealer. You must have reached the age of majority in your province or territory to buy securities in a mutual fund. You may hold securities in trust for a minor.

**Purchase price** – When you buy securities in a Fund, you buy them at the net asset value (“NAV”) of the security calculated as of the day of your purchase, as long as we receive your purchase order, in good order, on or before 4 p.m. ET on a day that the Toronto Stock Exchange is open for business or before the Toronto Stock Exchange closes for the day, whichever is earlier. If we receive your order after that time, we will process your order as of the next business day.

We calculate a separate NAV for each series of securities of a Fund each day the Toronto Stock Exchange is open for business. Generally speaking, the NAV per security of each series is calculated by:

- Taking the proportionate share of the assets of the Fund allocated to that series
- Subtracting the liabilities of that series and the proportionate share of the common expenses of the Fund allocated to that series
- Dividing the resulting number by the total number of securities in that series held by investors
- For Funds available to be purchased in U.S. dollars, we calculate the NAV in Canadian dollars and convert it to U.S. dollars using that day’s exchange rate being the U.S. dollar/Canadian dollar WM/Reuters spot rate at 3:00 p.m. (Toronto time) (or as at an earlier time as markets close). See *U.S. dollar purchase option* on page 20 for details.

See also *Series of Securities - Hedged versus Unhedged Series of Securities of the Hedged Funds*.

**How we process your order** – You and your Financial Advisor are responsible for the completeness and accuracy of your purchase order. We will process your order only if we receive all necessary documentation in good order.

We must receive the correct payment within two business days of processing your order. If we do not receive payment within that time, we will redeem your securities on the next business day. If the proceeds are greater than the amount you owe us, the Fund keeps the difference. If the proceeds are less than the amount you owe, your Dealer will be required to reimburse the Fund for the difference and you may be responsible to your Dealer depending upon your arrangements with your Dealer.

We have the right to accept or reject your order within one business day of receiving it. If we accept your order, you will receive a written confirmation. If we reject your order, we will return any money you have sent to us without interest.

A fee of \$25 may be charged on NSF cheques.

**Minimum Investment** - With the exception of Brandes Corporate Focus Bond Fund, the minimum initial investment for Series A, Series AH, Series F or Series FH is \$1,000 for any of our Funds. For Brandes Corporate Focus Bond Fund, the minimum initial investment for Series A, Series AH, Series F or Series FH securities is \$5,000. The minimum initial investment for Series D is \$500 for any of our Funds.

Investors with large balances in certain series of certain Funds may qualify for a fee reduction (see *Fees and Expenses* – page 21 – for details). The minimum investment to qualify for a fee reduction is \$100,000 in an account belonging to a single investor that holds series that are eligible for a fee reduction as outlined under the section entitled Large Investor Reductions or \$250,000 in a Financial Group. Additional reductions are available for an investor with accounts that qualify as a Financial Group with a minimum of \$500,000 and \$1,000,000. The investment minimum may be waived for purchases made by investors who purchase through a discretionary managed account.

Minimum dollar amounts apply in either Canadian dollars or U.S. dollars, as applicable. We will determine, and from time to time may change or waive, the minimum amounts for initial and subsequent investments in any series. We will not accept cash or travellers’ cheques.

**Purchase options** – Your Financial Advisor will assist you in selecting the investments that are suitable for you. Bridgehouse does not monitor the appropriateness of any series of Funds for any investor and makes no determination as to the appropriateness of any series of Fund for any investor purchased through a Dealer, including investors who hold Funds in a discount brokerage account. When you buy Series A securities or Series AH securities of any Fund other than Brandes Corporate Focus Bond Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity Fund, the purchase option you select should reflect the compensation appropriate to the relationship you have with your Financial Advisor. Your decision will affect whether and how much you will pay if you decide to redeem.

You generally have three different options when purchasing Series A securities or Series AH securities of any Fund other than Brandes Corporate Focus Bond Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity Fund:

- A sales charge negotiable at the time of purchase (the “Front-End Sales Charge Option”);
- A contingent deferred sales charge at the time of redemption if redeemed within seven years of the original purchase (the “Deferred Sales Charge Option”); or
- A contingent deferred sales charge at the time of redemption if redeemed within three years of the original purchase (the “Low Load Option”)

Series A securities or Series AH securities, as applicable, of Brandes Corporate Focus Bond Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity Fund, are only available through the Front-End Sales Charge Option.

In addition, Series D securities of all Funds are only available under the Front-End Sales Charge Option.

Your choice of purchase option will require you to pay different fees and will affect the amount of compensation paid to your Dealer. See *Fees and Expenses* on page 21 and *Dealer Compensation* on page 32 for more information.

**Certificates** – The Funds do not issue certificates.

## ***Redemptions***

To redeem all or part of your securities at any time, contact your Financial Advisor, who may ask you to complete a redemption request form.

You redeem securities at the current NAV per security of the series and in the currency in which you purchased them. If we receive your redemption request on or before 4 p.m. ET on a day that the Toronto Stock Exchange is open for business or before the Toronto Stock Exchange closes for the day, whichever is earlier, the redemption value will be calculated as of that day. If we receive your redemption request after that time, the redemption value will be calculated as of the next business day.

## ***Redemption fees***

**Deferred Sales Charge Option** – When you redeem Series A securities or Series AH securities that were purchased under the Deferred Sales Charge Option, you are required to pay Bridgehouse a percentage fee that declines each year for seven years after purchase. The percentage is calculated on the original cost of the Series A securities or Series AH securities. See the *Fees and expenses payable directly by you* table on page 30 for details. In certain circumstances, you may also pay a short-term trading fee. See *Short-term trading fees* below.

**Free redemption right for Deferred Sales Charge Option** – A portion of your investment in Series A securities or Series AH securities of a Fund purchased under the Deferred Sales Charge Option may be redeemed in each calendar year at no charge. We calculate your free redemption right whenever you purchase/acquire securities and at January 1<sup>st</sup> of each year. When you purchase/acquire securities we will add to your free redemption right, if any, at that time 10% of the securities you purchased/acquired proportionally adjusted for the number of days from the date of purchase/acquisition to December 31<sup>st</sup> of the year of purchase/acquisition. On January 1<sup>st</sup> of each year we will add to your current free redemption right an additional 10% of your securities held (excluding your unused free redemption right as at December 31<sup>st</sup> of the prior year).

With the Deferred Sales Charge Option, your securities are redeemed in the order they were purchased/acquired. That is, first in, first out.

If you chose the Deferred Sales Charge Option for a Fund, and then switched into another Fund, the redemption fee payable to Bridgehouse on the new securities would be based on the original cost before the switch.

The redemption fees that apply to deferred sales charges will be those in effect at the time of your original purchase.

**Low Load Option** – When you redeem Series A securities or Series AH securities that were purchased under the Low Load Option, you are required to pay Bridgehouse a percentage fee that declines each year for three years after purchase. The percentage is calculated on the original cost of the Series A securities or Series AH securities. See the *Fees and expenses payable directly by you* table on page 30 for details. In certain circumstances, you may also pay a short-term trading fee. See *Short-term trading fees* below.

With the Low Load Option, your securities are redeemed in the order they were purchased/acquired. That is, first in, first out.

**Front-End Sales Charge Option** – With the Front-End Sales Charge Option, you pay no fee for redemptions except that, in certain circumstances, you may pay a short-term trading fee. See *Short-term trading fees* below.

**Short-term trading fees** – The Funds are generally designed to be longer term investments. Trading or switching often in order to time the market is generally not a good idea. Frequent trading can also hurt a Fund's performance, affecting all the investors in a Fund, by forcing the Fund to keep cash or sell investments to meet redemptions. Bridgehouse has policies and procedures in place to actively monitor, detect and deter inappropriate or excessive short-term trading. A short-term trade will be determined to be inappropriate where there is a combination of a purchase and redemption (which includes a switch) within a short period of time that Bridgehouse believes is detrimental to investors in a Fund or which may take advantage of certain Funds with securities priced in other time zones or illiquid securities that trade infrequently. Excessive short-term trading involves a combination of purchases and redemptions that occur within a period of time where Bridgehouse believes that such trading is detrimental to investors in a Fund.

If you redeem or switch within 30 days of purchase, or if we determine that inappropriate or excessive short-term trading has occurred, we reserve the right to charge a short-term trading fee of up to 5% of the NAV of the securities you redeem or switch, on top of any redemption or switch fees that may apply. See *Fees and Expenses* on page 21. Each additional switch counts as a new purchase for this purpose. We may also take such additional actions as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning to you, placing you or your account(s) on a watch list to monitor your trading activity, the subsequent rejection of further purchases by you if you continue to attempt such trading activity, and/or closure of your account. While Bridgehouse attempts to monitor, detect and deter inappropriate and excessive short-term trading, we cannot ensure that such trading activity will be completely eliminated.

**How we process your redemption request** – We will pay you the proceeds of a redemption request within three business days of receiving a complete redemption order and all required documents.

If your account is with a Dealer, we will send the proceeds to that account.

If your account is with us directly, we will mail you a cheque unless you choose to have the proceeds delivered:

- By wire to your bank account (a \$25 fee may apply, in addition to any amounts charged by your bank or financial institution), or
- By electronic funds transfer (“EFT”) into your bank account.

If you choose payment by EFT, you need to accompany your redemption request with an imprinted void cheque so we may deposit the funds directly into your bank account. You may also request regular redemptions through EFT through a systematic withdrawal plan. See *Optional Services* on page 19 for more details.

If we do not receive all the documentation we need to complete your redemption order within ten business days of receiving your order, we will repurchase your securities. If the sale proceeds are greater than the repurchase amount, the Fund keeps the difference. If the sale proceeds are less than the repurchase amount, your Dealer will be required to reimburse the Fund for the difference and you may be responsible to your Dealer depending upon your arrangements with your Dealer.

Any redemption fees payable by you to us will be paid from your proceeds of the redemption. Your securities purchased under the Deferred Sales Charge Option or Low Load Option, as the case may be, are redeemed in the order that they were purchased. That is, first in, first out.

**Automatic redemption** – Due to the relatively high cost of maintaining small accounts, we set the minimum account size at \$1,000. If, as a result of redemptions, your account falls below the minimum, we may notify you and give you 10 days to make another investment in that account. If it remains below the minimum after 10 days, we have the option to redeem all securities in your account and send the proceeds to you.

**Redemption suspensions** – Under exceptional circumstances we may be unable to process your redemption order. This would occur if Canadian securities regulators allow us to suspend your right to redeem, for example:

- If normal trading is suspended in any market where securities are traded which represent more than 50% of a Fund’s total asset value if those securities are not traded on another market or exchange that represents a reasonable and practical alternative
- In other circumstances with the consent of the Canadian securities regulators.

If we suspend redemption rights before the redemption proceeds have been determined, you may either withdraw your redemption request or redeem your securities at the NAV next determined after the suspension has been lifted.

## **Switches**

**General** – You can switch all or part of your investment in securities of a series of one Fund to securities of the same series of another Fund (at their respective net asset values per security) by contacting your Financial Advisor who may ask you to complete a switch order form, provided that you are eligible to purchase the new series (if applicable). An investor who switches into a new series must meet the eligibility requirement for that series, including meeting any minimum investment amounts. Any switch to Series For FH securities must be approved by Bridgehouse. See *Switching between series* below for more details.

For the purposes of switching privileges, the Hedged Series of Securities of a Hedged Fund will be considered equivalent to the Unhedged Series of Securities of the same Hedged Fund.

**Switching between Funds** – You can switch units of a series of a Fund to securities of the same series of another Fund. When you make such a switch, you are actually redeeming units in the Fund and buying securities in the other Fund. For tax purposes, this is a disposition and you will realize a capital gain or loss. See *Income Tax Considerations for Investors* on page 34 for more details.

**Switching between purchase options** – In order to avoid any unnecessary additional sales charges an investor should note the following. Securities purchased under the Front-End Sales Charge Option should only be switched for other securities under the Front-End Sales Charge Option. Securities purchased under the Deferred Sales Charge Option can only be switched for other securities under the Deferred Sales Charge Option, unless a switch to another purchase option is approved by Bridgehouse and you may have to pay a fee equal to the redemption fee that would have been paid on the redemption of those securities. Securities purchased under the Low Load Option can only be switched for other securities under the Low Load Option, unless a switch to another purchase option is approved by Bridgehouse and you may have to pay Bridgehouse a fee equal to the redemption fee that would have been paid on the redemption of those securities.

If you are switching securities that you purchased under the Deferred Sales Charge Option or Low Load Option, you will keep the same redemption charge schedule on your new securities as you had on your old securities. We use the original cost to calculate the redemption charge schedule for your new securities.

**Switching between series** – You may also be eligible to switch securities of one series into securities of another series of the same Fund (at their respective net asset values per security), if you meet the requirements for that series (see *Series of securities* on page 12). Any switch to Series F or FH securities must be approved by Bridgehouse. You may only switch U.S. dollar denominated securities of one series into U.S. dollar denominated securities of another series of the same Fund if such other series of securities is available for purchase in U.S. dollars (see *U.S. dollar purchase option* on page 20). A switch between series of the same Fund is not a disposition for tax purposes, other than a switch from a Hedged Series of a Fund to an Unhedged Series of that Fund or a switch from an Unhedged Series of a Fund to a Hedged Series of that Fund. See *Income Tax Considerations for Investors* on page 34 for details. Any switched securities will be subject to the redemption charges that applied to the original securities.

**Switch fees** – Switch fees, up to a maximum of 2% of the amount being switched, provide compensation to your Dealer for the time, advice and processing costs involved in a switch. All switch fees are negotiable with your Financial Advisor.

You may be charged a short-term trading fee of up to 5% of the current value of your securities in addition to a switch fee if you switch securities you purchased or switched into within the last 30 days. See *Short-term trading fees* on page 17. No switch fees apply to a switch between series of the same Fund.

## Optional Services

### ***Registered plans***

The securities of each of the Funds are qualified investments for registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), deferred profit sharing plans, registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”) and tax-free savings accounts (“TFSA”) (collectively, “registered plans”) under the *Income Tax Act* (Canada) (the “Tax Act”). You should consult with your own tax advisor as to whether securities of a Fund would be a “prohibited investment” under the Tax Act if held in your RRSP, RRIF, TFSA, RDSPs or RESP.

You will be able to open a Bridgehouse RRSP, RRIF, RESP or TFSA through your Financial Advisor.

You may also buy securities of the Funds for a self-directed registered plan that is not sponsored by Bridgehouse. Please check with your Financial Advisor to see if the Funds are eligible for these plans.

We encourage you to consult with your financial and/or tax advisor for full details of the tax implications of establishing, contributing to and terminating registered plans.

### ***Pre-authorized debit plan (PAD)***

You may wish to buy securities of one or more of the Funds at regular intervals by authorizing us to deduct a specified dollar amount from your bank account. This is called a Pre-authorized Debit (“PAD”) by the Canadian Payments Association and it helps you to take advantage of dollar-cost averaging. Dollar-cost averaging means that by investing the same amount at regular intervals during any given period, you will buy fewer securities when the price is high and more when the price is low. It is an easy way to average out the cost of your investments. Your Dealer may offer a similar plan.

There is no charge by Bridgehouse for a PAD other than any sales charges you choose when you invest.

PADs are also available under the U.S. dollar purchase option. (See *U.S. dollar purchase option* on page 20).

When you use a PAD, you must contribute at least \$100 per payment per Fund, or other amount agreed to by the Manager, tell us how to invest your contributions, choose to invest weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annually or annually and provide an imprinted void cheque. Ask your Financial Advisor for an authorization form to start the PAD.

You may change the amount of your PAD at any time, and as many times as you like, as long as you give us at least five business days’ written notice. You may also terminate the PAD with at least five business days’ written notice. If you redeem all securities in the account to which your PAD contributes, we will terminate the PAD unless you tell us otherwise.

### ***Systematic withdrawal plan (SWP)***

If you hold at least \$10,000 in an account with us, you can authorize us to establish a systematic withdrawal plan (“SWP”). Through this plan, we make regular payments to you by redeeming securities in your account. Your Dealer may offer a similar plan.

Ask your Financial Advisor for the authorization form to start the SWP. You choose the frequency and amount of the withdrawals, which must be at least \$100 per Fund, or other amount agreed to by the Manager. There is no charge by Bridgehouse for a SWP and redemption fees depend on the sales charge option you chose when you first purchased your securities. You may cancel the SWP at any time by giving us five business days’ written notice.

Note that if the regular payments you receive are greater than the growth in your account, you will eventually exhaust your original investment unless you make further contributions. We have the option to redeem all your securities and close your account if your account falls below \$1,000. See *Automatic redemption* on page 18 for more details.

### ***U.S. dollar purchase option***

You may choose to purchase Series A securities and Series F securities, as the case may be, of the following Funds in U.S. dollars:

- Brandes Corporate Focus Bond Fund
- Brandes Emerging Markets Value Fund
- Brandes Global Equity Fund
- Brandes Global Opportunities Fund
- Brandes Global Small Cap Equity Fund
- Brandes International Equity Fund

- Brandes U.S. Equity Fund
- Lazard Global Compounders Fund
- Lazard Emerging Markets Multi-Asset Fund
- Lazard Global Balanced Income Fund
- Lazard Global Equity Income Fund
- Lazard Global Managed Volatility Fund

## Fees and Expenses

This table lists the fees and expenses you may have to pay when you invest in the Funds. Some of these fees you may pay directly, depending on the purchase option you select. Other fees may be payable by the Funds, which will reduce the value of your investment in the Funds. In some circumstances we may waive all or a portion of a fee or expense that is otherwise payable by a Bridgehouse Fund. In these circumstances, we may cease to waive such a fee or expense at any time and without notice to securityholders.

Any change in the basis for calculating the fees or expenses of a Fund or any new fees or expenses to be charged to a Fund by a person or company at arm's length to the Fund, which may result in an increase of fees or expenses charged to that Fund (or directly to its unitholders) shall require sixty (60) days' prior written notice. The approval of the unitholders of the relevant Fund is not required for such changes.

### *Fees and expenses payable by the Funds*

**Management Fees** The management fee charged to a Fund by the Manager is intended to cover, among other things, investment management costs, including all portfolio advisory fees, as well as distribution, marketing and promotion of the Funds. The management fee differs among Funds and among series of securities as outlined in the table below (shown as a percentage of average daily net asset value per annum). Each Fund pays Bridgehouse an aggregate management fee. Management fees for Series I securities and Series IH securities are negotiated and paid directly by the investor, not by the Fund. The management fees in respect of Series I securities and Series IH securities will not exceed the Series A or, where applicable, Series AH, management fees of the Fund.

	Series A	Series D	Series F
Brandes Canadian Equity Fund	1.85%	1.10%	0.85%
Brandes Canadian Money Market Fund	1.25%	N/A	1.00%
Brandes Corporate Focus Bond Fund (Unhedged Series)	1.10%	N/A	0.60%
Brandes Emerging Markets Value Fund	2.20%	1.45%	1.20%

Brandes Global Equity Fund (Unhedged Series)	1.85%	1.10%	0.85%
Brandes Global Opportunities Fund	2.00%	N/A	1.00%
Brandes Global Small Cap Equity Fund	2.20%	1.45%	1.20%
Brandes International Equity Fund	1.85%	1.10%	0.85%
Brandes U.S. Equity Fund (Unhedged Series)	1.85%	N/A	0.85%
Brandes U.S. Small Cap Equity Fund	2.20%	N/A	1.20%
Bridgehouse Canadian Bond Fund	0.80%	N/A	0.30%
Lazard Emerging Markets Multi-Asset Fund	2.20%	N/A	1.20%
Lazard Global Balanced Income Fund	1.80%	N/A	0.80%
Lazard Global Equity Income Fund	1.95%	N/A	0.95%
Morningstar Aggressive Portfolio	1.85%	N/A	0.85%
Morningstar Balanced Portfolio	1.75%	N/A	0.75%
Morningstar Conservative Portfolio	1.35%	N/A	0.60%
Morningstar Growth Portfolio	1.80%	N/A	0.80%
Morningstar Moderate Portfolio	1.55%	N/A	0.70%

Morningstar Strategic Canadian Equity Fund	1.50%	0.65%	0.50%
Sionna Strategic Income Fund	1.80%	N/A	0.80%
Sionna Canadian Equity Fund	1.80%	1.05%	0.80%
Sionna Opportunities Fund	1.90%	N/A	0.90%
Lazard Global Managed Volatility Fund (Unhedged Series)	1.70%	N/A	0.70%
Lazard Global Compounders Fund (Unhedged Series)	1.90% <sup>4</sup>	N/A	0.90% <sup>4</sup>

	Series AH	Series FH
Brandes Corporate Focus Bond Fund (Hedged Series)	1.15%	0.65%
Brandes Global Equity Fund (Hedged Series)	1.90%	0.90%
Brandes U.S. Equity Fund (Hedged Series)	1.90%	0.90%
Lazard Global Equity Income Fund (Hedged Series)	2.00%	1.00%
Lazard Global Managed Volatility Fund (Hedged Series)	1.75%	0.75%

Lazard Global Compounders Fund (Hedged Series)	1.95% <sup>4</sup>	0.95% <sup>4</sup>
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The higher management fees for the Hedged Series of securities of the Hedged Funds reflect the additional management of the currency hedging activities in respect of these series of securities of the Hedged Funds.

Where a Fund (“Top Fund”) invests in securities of another fund, including ETFs (an “Underlying Fund”), fees and expenses are payable by the Underlying Fund in addition to the fees and expenses payable by the Top Fund. The Top Fund will not pay management fees, incentive fees, sales fees or redemption fees that, to a reasonable person would duplicate a fee payable by the Underlying Fund(s) for the same service. In addition, in calculating the management expense ratio (“MER”) of each series of such a Top Fund, the proportional MER for the Underlying Funds in which the Top Fund invests, is included in the MER calculation. Where the other Underlying Fund is a Bridgehouse Fund that offers Series I, we will charge a management fee and operating expenses to the Top Fund and we will not charge these fees or expenses to the Underlying Fund for the portion of the Underlying Fund attributable to the Top Fund.

### ***Fee Reductions***

In some cases we may effectively reduce the management fee and/or operating expenses (referred to here-in as the “Cost”) for investors in certain series of certain Funds. For example, we may reduce the Cost for early investors, large investors or Employee Related Accounts. Such reductions in the Cost are only available on the Front-End Sales Charge Option of Series A or Series AH securities and Series F or Series FH securities. The Fund pays an amount equal to this reduction in Cost to the securityholder as a special management fee distribution by series of a fund. Management fee distributions are inclusive of either GST, GST and QST, or HST and are paid first out of the net income and net realized capital gains of a Fund, and thereafter out of capital.<sup>4</sup>

All Funds and their investors (including those noted above who have had their Cost reduced) may have to pay additional costs associated with portfolio transactions, please see *Portfolio Transaction Costs* on page 30.

### ***Large Investor Reductions***

An investor whose individual Fund account balance equals or exceeds \$100,000 with respect to eligible securities of certain Funds or whose Financial Group balance equals or exceeds \$250,000 with respect to eligible securities of certain Funds, will receive a management fee distribution with respect to a series of a Fund as outlined in the table below.

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<sup>4</sup> Unitholders in eligible series of Lazard Global Compounders Fund, who were eligible for and participated in the Greystone Global Equity Fund Introductory Pricing Program (the GGEF Pricing Program), will continue to benefit from the fee reductions under the GGEF Pricing Program.

**Management Fee Distributions for Investor Fund Account Balance equal to or greater than \$100,000 with respect to eligible securities or Financial Group Balance with respect to eligible securities equal to or greater than \$250,000\***

Fund	Series A**	Series AH**	Series F	Series FH
Brandes Canadian Equity Fund	0.10%	N/A	N/A	N/A
Brandes Canadian Money Market Fund	N/A	N/A	N/A	N/A
Brandes Corporate Focus Bond Fund	0.30%	0.30%	0.20%	0.20%
Brandes Emerging Markets Value Fund	0.50%	N/A	0.35%	N/A
Brandes Global Equity Fund	0.10%	0.10%	N/A	N/A
Brandes Global Opportunities Fund	0.25%	N/A	0.15%	N/A
Brandes Global Small Cap Equity Fund	0.50%	N/A	0.35%	N/A
Brandes International Equity Fund	0.10%	N/A	N/A	N/A
Brandes U.S. Equity Fund	0.10%	0.10%	N/A	N/A
Brandes U.S. Small Cap Equity Fund	0.50%	N/A	0.35%	N/A
Bridgehouse Canadian Bond Fund	N/A	N/A	N/A	N/A
Lazard Global Compounders Fund	0.35%	0.35%	0.25%	0.25%
Lazard Emerging Markets Multi-Asset Fund	0.50%	N/A	0.35%	N/A
Lazard Global Balanced Income Fund	0.25%	N/A	0.15%	N/A

Lazard Global Equity Income Fund	0.30%	0.30%	0.20%	0.20%
Lazard Global Managed Volatility Fund	0.25%	0.25%	0.15%	0.15%
Morningstar Aggressive Portfolio	N/A	N/A	N/A	N/A
Morningstar Balanced Portfolio	N/A	N/A	N/A	N/A
Morningstar Conservative Portfolio	N/A	N/A	N/A	N/A
Morningstar Growth Portfolio	N/A	N/A	N/A	N/A
Morningstar Moderate Portfolio	N/A	N/A	N/A	N/A
Morningstar Strategic Canadian Equity Fund	N/A	N/A	N/A	N/A
Sionna Strategic Income Fund	0.45%	N/A	0.35%	N/A
Sionna Canadian Equity Fund	0.30%	N/A	0.20%	N/A
Sionna Opportunities Fund	0.25%	N/A	0.15%	N/A

\* The management fee distributions above are expressed relative to the current Cost of the series. If we reduce the management fee or operating expenses in the future at the series level, we may not offer a corresponding additional reduction to those receiving management fee distributions. Accordingly, while the management fee distributions stated above may be lowered (reflecting the fee or expense reduction at the series level), it will not result in an increase in Cost to any investor.

\*\* The Cost for Series A or Series AH will be lower for investors whose dealer has chosen a lower trailing commission fee.

We will further automatically reduce the Cost, by a management fee distribution, of the Front-End Sales Charge Option for Series A and Series AH securities and for Series F and Series FH securities for a Financial Group holding \$500,000 - \$999,999.99 worth of such securities by 5 bps and for a Financial Group holding an amount equal to or exceeding \$1,000,000 worth of such securities by 10 bps for all Funds excluding Brandes Canadian Money Market Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity

Fund. The investment minimum may be waived for purchases made by investors who purchase through a discretionary managed account.

For the Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio and Morningstar Moderate Portfolio we will reduce the Cost, by a management fee distribution, for Series A and Series F securities by 5 bps for an investor whose individual Fund account balance equals or exceeds \$100,000 with respect to such securities. We will further automatically reduce the Cost for Series A and Series F securities by 5bps for an investor whose individual Fund account balance equals or exceeds \$1,000,000 with respect to such securities.

For the Lazard Global Compounders Fund we will reduce the Cost, by a management fee distribution, for Series F and Series FH securities by an additional 25 bps for an investor whose individual Fund account balance equals or exceeds \$150,000 with respect to such securities.

### ***Fees for Re-designated Securities***

Certain of the Funds previously offered the following series of securities: Series K, Series KH, Series L, Series LH, Series M and Series MH. Effective July 7, 2017, Series K securities were re-designated as Series A securities, Series KH securities were re-designated as Series AH securities, Series L securities were re-designated as Series A securities, Series LH securities were re-designated as Series AH securities, Series M securities were re-designated as Series F securities and Series MH securities were re-designated as Series FH securities. After such re-designations Series K, Series KH, Series L, Series LH, Series M and Series MH ceased to exist.

Investors of such re-designated series receive non-discretionary, irrevocable management fee distributions in order to ensure that the management fee and operating expenses (Cost) being paid prior to the re-designation (see table below) will not increase as a result of the re-designation, provided that they maintain an ongoing minimum account balance of at least \$100,000 per Fund account with respect to eligible securities, or a Financial Group balance assets of at least \$250,000 with respect to eligible securities. However, because the Cost includes applicable taxes (including GST, GST plus QST or HST), any changes in Provincial or Federal tax rates, or legislation to introduce new taxes, may impact the Cost. Investors will be provided with 60 days' prior notice if the Cost is increased as a result of changes in taxes.

#### **Management Fees and Operating Expenses Paid by Series K, Series KH, Series L, Series LH, Series M, and Series MH Before and After Re-designation**

Fund	Series K	Series KH	Series L	Series LH	Series M	Series MH
Brandes Canadian Equity Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Brandes Canadian Money Market Fund	N/A	N/A	N/A	N/A	N/A	N/A
Brandes Corporate Focus Bond Fund	1.20%	1.25%	N/A	N/A	0.70%	0.75%
Brandes Emerging Markets Value Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Brandes Global Equity Fund	2.20%	2.25%	1.70%	1.75%	1.20%	1.25%

Brandes Global Opportunities Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Brandes Global Small Cap Equity Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Brandes International Equity Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Brandes U.S. Equity Fund	2.20%	2.25%	1.70%	1.75%	1.20%	1.25%
Brandes U.S. Small Cap Equity Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Bridgehouse Canadian Bond Fund	1.10%	N/A	N/A	N/A	0.60%	N/A
Lazard Global Compounders Fund	2.00%	2.05%	N/A	N/A	1.00%	1.05%
Lazard Emerging Markets Multi-Asset Fund	2.20%	N/A	1.70%	N/A	1.20%	N/A
Lazard Global Balanced Income Fund	2.00%	N/A	1.50%	N/A	1.00%	N/A
Lazard Global Equity Income Fund	2.10%	2.15%	1.60%	1.65%	1.10%	1.15%
Lazard Global Managed Volatility Fund	1.90%	1.95%	N/A	N/A	0.90%	0.95%
Morningstar Aggressive Portfolio	N/A	N/A	N/A	N/A	N/A	N/A
Morningstar Balanced Portfolio	N/A	N/A	N/A	N/A	N/A	N/A
Morningstar Conservative Portfolio	N/A	N/A	N/A	N/A	N/A	N/A
Morningstar Growth Portfolio	N/A	N/A	N/A	N/A	N/A	N/A
Morningstar Moderate Portfolio	N/A	N/A	N/A	N/A	N/A	N/A
Morningstar Strategic Canadian Equity Fund	N/A	N/A	N/A	N/A	N/A	N/A
Sionna Strategic Income Fund	1.90%	N/A	1.40%	N/A	0.90%	N/A
Sionna Canadian Equity Fund	1.95%	N/A	1.45%	N/A	0.95%	N/A
Sionna Opportunities Fund	2.10%	N/A	1.60%	N/A	1.10%	N/A

Prior to May 9, 2018, a Financial Group included all accounts belonging to a single investor, his or her spouse, family members residing at the same address, as well as accounts belonging to a corporation for which the investor and/or other members of the financial group beneficially own more than 50% of the voting equity of such corporation and accounts belonging to a trust for which the investor and/or other members of the financial group comprise greater than 50% of the trustees and greater than 50% of the beneficiaries of such trust. Accounts that qualified as a Financial Group pursuant to the foregoing definition on May 9, 2018 will continue to so qualify, provided that minimum investment amounts and other eligibility requirements continue to be met.

## **Operating Expenses**

Operating expenses incurred by the Funds may include:

- Applicable taxes (including GST, GST plus QST or HST)
- Transfer agency fees
- Accounting, audit and legal fees and expenses
- Costs relating to the Funds' IRC, including remuneration of IRC members, costs of indemnifying IRC members and insurance costs and costs of legal and other services or advisors to IRC members
- Bank charges and interest
- Safekeeping and custodial fees
- Investor servicing costs for our call centre, annual and semi-annual reports, prospectuses and other reports
- Regulatory filing fees
- Other operating and administrative expenses

Series A, Series AH, Series D, Series F and Series FH securities of each Fund are responsible for the operating expenses that relate specifically to those series and for their proportionate share of the operating expenses that are common to all series. All operating expenses related to Series I securities and Series IH securities will be the responsibility of the Manager. We may waive or absorb operating expenses at our discretion and/or stop absorbing operating expenses at any time without notice. We may pay a portion of the operating expenses for clients who invest large amounts in a Fund.

As at the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of \$27,500 (\$30,000 for the Chair). The members of the IRC did not receive any reimbursement for expenses for the year ended 2018. The fees and expenses, plus associated legal costs, with respect to the IRC are allocated among all of the funds managed by the Manager for which the IRC acts as the independent review committee in a manner that is considered by the Manager to be fair and reasonable.

## **GST/GST plus QST/HST Costs**

Management fees and operating expenses payable by each Fund are subject to either GST, GST and QST, or HST. See *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund? - What is a mutual fund? - How HST, or GST plus QST may affect the Funds* on page 4.

**Portfolio Transaction Costs** Each Fund may have costs associated with portfolio transactions, including brokerage commissions to purchase and sell portfolio securities and research and execution costs, if any. Although these costs are paid for by the Fund (and therefore indirectly by securityholders) they are not considered to be “operating expenses” of a Fund and are not currently included in the MER of the Fund. These costs are disclosed as a percentage of the daily average net assets of the Fund, in each Fund’s management report of fund performance, as a ratio called the Trading Expense Ratio (“TER”).

***Fees and expenses payable directly by you***

**Sales Charges** Up to 5% of the purchase price of the Series A, Series AH or Series D, securities of all Funds purchased through the Front-End Sales Charge Option. Sales charges are negotiable with your Financial Advisor. The commission you negotiate is deducted from the amount you invest at the time of purchase and is paid to your Dealer.

**Switch Fees** Up to 2% of the NAV of the securities you switch. Switch fees are negotiable with your Financial Advisor. See page 19 for details about switching between Funds.

**Redemption Fees** ***Deferred Sales Charge Option***

Up to 5.5% of the original cost of the Series A securities or Series AH securities, if you choose the Deferred Sales Charge Option and you redeem them within seven years, as follows:

If redeeming during	You pay
Year 1	5.5%
Year 2	5.5%
Year 3	4.5%
Year 4	4.0%
Year 5	3.5%
Year 6	2.5%
Year 7	1.5%
After Year 7	0%

***Low Load Option***

Up to 3% of the original cost of the Series A securities or Series AH securities, if you choose the Low Load Option and you redeem them within three years, as follows:

If redeeming during	You pay
Year 1	3.0%
Year 2	2.5%
Year 3	2.0%
After Year 3	0%

### **Short-term Trading Fee**

Up to 5% of the current value of the securities if you redeem or switch within 30 days of purchase. See *Short-term trading fees* on page 17.

<b>Other Fees</b>	NSF cheque fee \$25
	Wire transfer fee \$25

### ***Impact of sales charges***

The following table shows the maximum sales charge you would pay under the different sales charge options if you made an investment of \$1,000 in a Fund, held that investment for 1, 3, 5 or 10 years and redeemed immediately before the end of the period. See *Fees and expenses payable directly by you* on page 30 for details.

Please note that:

- Redemption fees apply only if you redeem your Series A securities or Series AH securities securities purchased under the Deferred Sales Charge Option or the Low Load Option in a particular year and if these securities do not qualify for free redemption. We have ignored fee redemption amounts in the illustration below.
- Series D securities are not available under the Deferred Sales Charge Option or the Low Load Option.
- You do not pay a sales charge or fee when you purchase or redeem Series D, Series F, Series FH, Series I or Series IH securities.

Series of Security	Sales Charge at time of purchase	Redemption Fee before end of:			
		1 Year	3 Years	5 Years	10 Years
Series A					
Front-End Sales Charge Option	\$50	Nil	Nil	Nil	Nil
Deferred Sales Charge Option <sup>(1)</sup>	Nil	\$55	\$45	\$35	Nil
Low Load Option <sup>(2)</sup>	Nil	\$30	\$20	Nil	Nil
Series AH					
Front-End Sales Charge Option	\$50	Nil	Nil	Nil	Nil
Deferred Sales Charge Option <sup>(1)</sup>	Nil	\$55	\$45	\$35	Nil
Low Load Option <sup>(2)</sup>	Nil	\$30	\$20	Nil	Nil
Series D	Nil	Nil	Nil	Nil	Nil
Series F	Nil	Nil	Nil	Nil	Nil

Series FH	Nil	Nil	Nil	Nil	Nil
Series I	Nil	Nil	Nil	Nil	Nil
Series IH	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Series A securities and Series AH securities of Brandes Corporate Focus Bond Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity Fund as applicable, are not available under the Deferred Sales Charge Option.
- (2) Series A securities and Series AH securities of Brandes Corporate Focus Bond Fund, Bridgehouse Canadian Bond Fund, Lazard Global Compounders Fund, Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Conservative Portfolio, Morningstar Growth Portfolio, Morningstar Moderate Portfolio, and Morningstar Strategic Canadian Equity Fund as applicable, are not available under the Low Load Option.

## Dealer Compensation

**Commissions we pay to your Dealer** – We use part of the management fees that the Funds pay to compensate your Dealer for the services provided in connection with your investment in Series A, Series AH and Series D securities. Your Dealer will typically pay a portion of its compensation to your Financial Advisor. The actual financial arrangements between your Dealer and your Financial Advisor are completely outside of our knowledge or control.

**Sales commission** – We pay your Dealer a percentage of the amount you invest depending on which purchase option you choose when you buy your Series A securities or Series AH securities:

- Under the Deferred Sales Charge Option, the sales commission is up to 5% of the amount you invest;
- Under the Low Load Option, the sales commission is up to 2.5% of the amount you invest; and

if you choose the Front-End Sales Charge Option when you buy Series A securities or Series AH securities, or if you purchase Series D securities of the Funds, the commission you negotiate is deducted from the amount you invest at the time of purchase and paid to your Dealer.

We do not pay your Dealer any compensation or commission in connection with your purchase of or investment in Series F or Series FH securities. In certain situations, we may pay sales commissions to your Dealer on the sale of Series I or Series IH securities, which will not exceed the highest applicable Series A (or Series AH, as applicable) security sales commission fees. Series F and Series FH investors may pay a periodic fee directly to their Dealer for investment advice and other services.

**Trailing commission** – On a monthly or quarterly basis, we pay a trailing commission to your Dealer. The trailing commission is an annualized percentage of the average daily value of the Series A, Series AH and Series D securities held in an applicable Fund. We expect that your Dealer will pay a portion of the trailing commission to your Financial Advisor. We may change or cancel the terms of the trailing commissions in our discretion and without advance notice. We also pay trailing commissions to the discount broker for securities you purchase through your discount brokerage account.

The following table shows the maximum rates payable with respect to sales and trailing commissions.

		All Funds (other than those listed to the right of this column)	Brandes Canadian Money Market Fund	Brandes Corporate Focus Bond Fund and Bridgehouse Canadian Bond Fund	Morningstar Aggressive Portfolio, Morningstar Balanced Portfolio, Morningstar Growth Portfolio, Lazard Global Compounders Fund	Morningstar Conservative Portfolio	Morningstar Moderate Portfolio	Morningstar Strategic Canadian Equity Fund
Front-End Sales Charge Option	Sales Commission fee <sup>1</sup> (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Trailing Commission fee (Series A and Series AH securities) (%)	1.00	0.25	0.50	1.00	0.75	0.85	1.00
	Trailing Commission fee (Series D securities) (%)	0.25	N/A	N/A	N/A	N/A	N/A	0.15
Deferred Sales Charge Option (only applicable to Series A and Series AH)	Sales Commission fee (%)	5.00	5.00	N/A	N/A	N/A	N/A	N/A
	Trailing Commission fee Chargeable securities <sup>2</sup> (%)	0.50	0.15	N/A	N/A	N/A	N/A	N/A
	Trailing Commission fee Free securities <sup>3</sup> (%)	0.75	0.15	N/A	N/A	N/A	N/A	N/A
	Trailing Commission fee Matured securities <sup>4</sup> (%)	1.00	0.15	N/A	N/A	N/A	N/A	N/A
Low Load Option (only applicable to Series A and Series AH)	Sales Commission fee (%)	2.50	2.00	N/A	N/A	N/A	N/A	N/A
	Trailing Commission fee Chargeable securities <sup>2</sup> (%)	0.50	0.15	N/A	N/A	N/A	N/A	N/A
	Trailing Commission fee Matured securities <sup>4</sup> (%)	1.00	0.15	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Any commission negotiated between you and your Dealer is deducted from the amount you invest at the time of purchase and thus is not paid to the Dealer by Bridgehouse.

<sup>2</sup> "Chargeable securities" are the total number of securities less the number of "Free securities" (if any) and "Matured securities" (as defined below). The Trailing Commission fee listed for each Fund applies only to years one through seven in which securities are held under the Deferred Sales Charge Option and years one through three in which securities are held under the Low Load Option.

<sup>3</sup> "Free securities" are the number of securities eligible for free redemption in the Deferred Sales Charge Option during years one through seven, based on 10% free redemptions per year. Free securities accumulate under the Deferred Sales Charge Option only.

<sup>4</sup> "Matured securities" refers to all securities that have been issued and outstanding for more than seven years for the Deferred Sales Charge Option or for more than three years for the Low Load Option.

## ***Other types of Dealer compensation***

We pay for marketing materials that we give to Dealers to help support their sales efforts. These materials include reports and commentaries on the Funds and the services we offer investors.

We may also pay your Dealer up to 50% of the direct costs they incur to:

- Publish and distribute sales communications
- Attend conferences
- Lead seminars to educate investors or promote mutual funds or Bridgehouse Funds

In addition, we may also:

- Organize, and present educational conferences for Financial Advisors
- Pay Financial Advisors' registration fees for certain educational conferences organized and presented by third parties
- Pay certain industry organizations up to 10% of the direct costs of organizing and presenting educational conferences
- Pay Dealers up to 10% of the direct costs of organizing and leading educational conferences
- Engage in business promotion activities that result in Financial Advisors or Dealers receiving nominal non-monetary benefits

## ***Dealer compensation from management fees***

We paid Dealers approximately 32% of total management fees earned on all Bridgehouse Funds, other than the Funds which were not then in existence, in the last completed financial year of the Manager ended December 31, 2018. Approximately 1% of total management fees earned represented the payment of deferred sales commissions on new Bridgehouse Fund sales.

## **Income Tax Considerations for Investors**

**This information is a general summary of relevant Canadian federal tax rules. We have assumed that you are a Canadian resident individual and hold your securities as capital property or in a registered plan. This summary is not intended to be legal advice.**

**We have tried to make this discussion easy to understand. As a result, we cannot be technically precise or cover all the tax consequences that may apply. We suggest you consult your tax advisor for details about your individual situation.**

## ***How the Funds aim to make money***

A mutual fund can make money in a number of ways. It can earn income in the form of dividends, interest or other income from the investments it makes. A mutual fund may also realize capital gains if it sells an investment for more than its cost. On the other hand, a mutual fund may realize a capital loss if it sells an investment for less than its cost.

## ***Tax status of the Funds***

This summary assumes that each Fund will qualify as a mutual fund trust under the Tax Act effective at all material times. Each Fund will distribute a sufficient amount of its net income and net realized capital gains to the extent necessary so that the Fund will not be subject to tax under Part I of the Tax Act.

Gains and losses realized by a Fund from the use of derivatives for non-hedging purposes will be treated as ordinary income and losses for tax purposes, rather than as capital gains and losses. Gains and losses realized by a Fund from the use of derivatives for hedging purposes may be treated for tax purposes as ordinary income and losses or as capital gains and capital losses, depending on the circumstances.

## ***Taxation of unitholders of the Funds***

The tax you pay on your mutual fund investment depends on whether you hold your units in a registered plan or in a non-registered account.

### **Some tax considerations for non-registered accounts**

If you hold your units of a Fund in a non-registered account, we'll send you a tax slip by the end of March each year. It shows your share of the Fund's distributions of capital, income and net capital gains for the previous year (including by way of management fee distributions), as well as any allowable tax credits. Income may include dividend income from taxable Canadian corporations, foreign income and other income. Dividends paid by Canadian corporations will be taxed subject to the gross up and dividend tax credit. An enhanced gross up and dividend tax credit is available for certain eligible dividends paid by Canadian corporations. If a Fund has earned foreign income, it may have paid foreign withholding tax. Some or all of this tax may be credited against the Canadian income tax you pay, provided you do not hold the investment in a non-taxable account. Other income is fully taxable. Capital gains distributed by a Fund will be treated as if you realized them directly.

You must include the income shown on the tax slip as part of your annual income. This applies even if your distributions are reinvested in units of a Fund.

If you receive more in distributions in a year than your share of a Fund's income and capital gains for the year, you'll have a return of capital. You don't pay tax on a return of capital. Instead, it reduces the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero you will realize a capital gain, to the extent of the negative amount of adjusted cost base and the adjusted cost base of your units will be increased by the amount of such gain.

Management fees paid in respect of Series I units or Series IH units will not be deductible for tax purposes.

You'll have a capital gain if the proceeds from redeeming or transferring a unit is more than the adjusted cost base of the unit, after deducting any costs of redeeming or transferring the unit. You'll have a capital loss if the proceeds from a sale is less than the adjusted cost base, after deducting any costs of redeeming or transferring your units. Generally, one half of a capital gain is included in calculating your income.

Any permitted switches of series within a Fund can be made without triggering a capital gain or a capital loss, other than switches between a Hedged Series and an Unhedged Series.

If you've bought units at various times, you will likely have paid various prices. The adjusted cost base of a unit is the average of the cost of all the identical units you hold in a Fund. That includes units you got through reinvestments of distributions.

In general, the adjusted cost base of your units of a Fund will be determined as follows:

- your initial investment in units of the Fund, including any charges you paid, plus
- any additional investments in units of the Fund, including any applicable charges you paid, plus
- any reinvested distributions from the Fund (including management fee distributions), minus
- any distributions from the Fund that were a return of capital, minus
- the adjusted cost base of any units of the Fund previously disposed of, divided by
- the number of units of the Fund that you hold at that time.

In certain cases, individuals may also have to pay alternative minimum tax on the capital gains or dividends they earn.

The NAV per unit of a Fund may include income and/or capital gains that the Fund has earned or realized, but not yet distributed to unitholders. You will be taxed on distributions of income and capital gains even if they accrued to the Fund or were realized by the Fund before you acquired the units. This could be particularly significant if you purchase units late in the year.

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

### **Some tax considerations for registered accounts**

Units of each Fund are qualified investments under the Tax Act for trusts governed by registered plans effective at all material times. If you hold your units of a Fund in a trust governed by an RRSP, RRIF, RESP, RDSP, DPSP or TFSA, you generally pay no tax on distributions paid from the Fund or on any capital gain that your registered plan realizes from selling or transferring units of the Fund. When you withdraw money out of a registered plan (other than a TFSA, and portions of certain payments made from an RESP or RDSP), it will generally be subject to tax at your marginal tax rate. Withdrawals of contributions from RESPs are not taxable; however, withdrawals of income or capital gains that those contributions earned are taxable. Withdrawals from a TFSA are not taxable. Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs and subscribers of RESPs, should consult with their own tax advisors as to whether units of a Fund would be a prohibited investment under the Tax Act in their particular circumstances.

### ***Tax information Reporting***

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-United States Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the "IGA"), and related Canadian legislation, each Fund and/or registered dealers are required to collect and report annually certain information, including certain financial information (e.g. account balances) and FATCA entity classification status with respect to securityholders who are U.S. residents and U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered plans, such as RRSPs), to the CRA. The CRA then exchanges the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Co-operation and Development Common Reporting Standard (the "CRS"), the Funds and/or registered dealers are required under Canadian legislation to identify and report to the CRA details and certain financial information relating to unitholders in the Funds who are tax residents in a country outside of Canada and the U.S. The CRA provides that information to the tax authorities of the relevant CRS participating jurisdictions.

## **What are your Legal Rights?**

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

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

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

# Fund Specific Information - Specific Information about Each of the Funds Described in this Document

## *Your guide to the Bridgehouse Funds*

At Bridgehouse, we believe there is a limit (capacity) to the amount of money we can manage, while preserving the integrity of our investment process. Therefore, as a commitment to our existing clients, we may close the Funds to new clients or new purchases, on a Fund-by-Fund basis, in advance of any potential capacity constraints. Please note that individual series within a Fund may be assigned different closure dates.

Each of the Funds has its own fundamental investment objective and its own risks. Choosing the right Fund means knowing what kinds of investments the Fund makes and what kinds of risks the Fund faces. In the pages that follow, you will find a profile of each Fund. Here is what the profiles look like and what they will tell you:

### **1. Fund name**

### **2. Fund details**

This is a quick overview of the Fund, what kind of Fund it is and when it was started. The securities of each of the Funds are, or are expected to be, effective at all material times, qualified investments, under the Tax Act for registered plans.

### **3. What does the Fund invest in?**

This section tells you the Fund's investment objective and strategies. It includes:

#### ***Investment objective***

This section tells you what the goals of the Fund are. You will find details about the kinds of securities the Fund invests in as well as any special focus such as a particular country or industry.

A Fund's fundamental investment objective cannot be changed unless approval from a majority of securityholders is received who vote at a special meeting called for that purpose.

#### ***Investment strategies***

This section tells you how the portfolio advisor tries to achieve the Fund's objective. You will find the portfolio advisor's general approach to investing and how the portfolio advisor chooses investments for the Fund. Bridgehouse may limit the number of investors or the total amount invested in a particular Fund to preserve the integrity of our investment process. See "*Your guide to the Bridgehouse Funds*" above.

In this section, we may refer to the fact that certain portfolio sub-advisors apply the Graham & Dodd investing approach to security selection. Benjamin Graham is widely regarded as the founder of this approach to investing and a pioneer in modern security analysis. In his 1934 book *Security Analysis*, co-written by David Dodd, Graham introduced the idea that equity securities should be chosen by identifying the "true" long-term - or intrinsic - value of a company based on measurable data. A portfolio sub-advisor that follows this approach looks at each equity security as though it is a business that is for sale. By choosing securities that are selling at a discount to the portfolio sub-advisor's estimates or their share of the company's intrinsic business value, the portfolio sub-advisor that follows this approach seeks to establish an opportunity for long-term capital appreciation. The portfolio sub-advisor that follows the Graham & Dodd approach uses fundamental analysis to develop an estimate of intrinsic value, and looks at, among other factors, a company's earnings, book value, cash flow, capital structure, and management record, as well as its industry and position within that industry. This analysis includes a review of company reports, filings with securities regulators, computer databases, industry publications, general and business publications, research reports and other information

sources, as well as interviews with company management. The portfolio sub-advisor that follows the Graham & Dodd approach may sell a security when its price reaches a target set by the portfolio sub-advisor, or the portfolio sub-advisor believes that other investments are more attractive, or for other reasons.

In this section, we may refer to one or more of the following indices as reference points when discussing portfolio diversification of the Funds:

**MSCI World Index (Unhedged/Hedged):** Consists of equities from developed markets around the world, including Canada and the United States. The hedged version minimizes the exposure of currency fluctuations on index performance.

**MSCI EAFE Index:** Tracks the performance of equities from Europe, Australasia, and the Far East, and excludes Canada and the United States.

**S&P Developed Small Cap Index:** Tracks small-capitalization companies from developed markets around the world, including the United States.

**MSCI Emerging Markets Index:** The MSCI Emerging Markets Index consists of securities available to foreign investors and listed on exchanges in emerging markets throughout the world.

**S&P 500 Index (Unhedged/Hedged):** The Standard & Poor's 500 Index consists of 500 large-capitalization stocks and is designed to form a representative sample of the United States stock market. The hedged version minimizes the exposure of currency fluctuations on index performance.

**Russell 2000 Index:** Measures the performance of 2000 of the smallest U.S. companies based on total market capitalization.

**S&P/TSX Composite Index:** Tracks the performance of some of the largest and most widely held Canadian stocks listed on the Toronto Stock Exchange.

**Barclays Capital Intermediate U.S. Credit Index (Unhedged/Hedged):** The Barclays Capital Intermediate U.S. Credit Index that consists of U.S. dollar-denominated, investment-grade, publicly-issued securities with a maturity of between one and ten years that are issued by both corporate issuers and non-corporate issuers. The hedged version minimizes the exposure of currency fluctuations on index performance.

**MSCI All Country World Index (Unhedged/Hedged):** Consists of equities from 24 developed markets and 21 emerging markets countries around the world including Canada and the United States. The hedged version minimizes the exposure of currency fluctuations on index performance.

**FTSE TMX Canada Universe Bond Index:** A broad measure of the total return for the Canadian bond market covering over 700 Canadian federal, provincial, municipal, and corporate bonds with maturities greater than one year and with a rating of BBB or higher.

**FTSE TMX Canada 91-day T-Bill Index:** This index measures the performance attributable to 91-day Canadian Treasury Bills. Treasury Bills are secured by the full faith and credit of the Canadian government and offer a fixed rate of return.

**Barclays Capital Global Aggregate Bond Index:** This index is a broad-based measure of the global investment-grade fixed-rate debt markets.

**J.P. Morgan EMLI+ Index:** This index is a broad-based measure of emerging markets government and corporate bonds issued in local EM currencies.

**J.P. Morgan EMBI Global Diversified Index:** This index is a broad-based measure of emerging markets government bonds issued in developed market currencies such as the USD and Euro.

**J.P. Morgan GBI-EM Global Diversified Index:** This index is a broad-based measure of emerging markets government bonds issued in local EM currencies.

**MSCI All Country World ex-Canada Index:** This index consists of equities from developed and emerging markets countries around the world excluding Canada.

**S&P/TSX Capped Composite Index:** This index tracks the performance of some of the largest and most widely held Canadian stocks listed on the Toronto Stock Exchange with an imposed capped weight of 10% on all constituents.

**Citigroup World Government Bond Index:** This index is a broad-based measure of investment grade government bonds from around the world issued in local currencies.

#### **4. What are the risks of investing in the Fund?**

This section tells you about the specific risks of investing in the Fund. A complete description of each risk can be found in *Specific risks* on page 5. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4.

#### ***Investment Risk Classification Methodology***

We assign an investment risk rating to each Fund to provide you with further information to help you determine whether the Fund is appropriate for you. Each Fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk.

The methodology used to determine the investment risk ratings of each of the Funds is determined in accordance with the Canadian Securities Administrators (“**CSA**”) standardized risk classification methodology, which is based on the historical volatility of the Fund as measured by the 10-year annualized standard deviation of the returns of the Fund.

#### **CSA Standard Deviation Ranges and Investment Risk Ratings**

<b>Standard Deviation</b>	<b>Risk Rating</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

For any Fund that is new, or for a Fund that has less than 10 years of performance history, we calculate the investment risk rating of these Funds using a reference index that reasonably approximates the standard deviation of the Fund. In certain cases where a Fund either, invests substantially all of its assets in an Underlying Fund that has existed for at least 10 years, or there is another mutual fund with 10 years of performance history that has the same manager, portfolio manager, objectives and strategies, then we may use the returns of the Underlying Fund or other fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year standard deviation.

The following chart sets out a description of the reference index used for each Fund that has less than 10 years of performance history:

<b>Bridgehouse Fund</b>	<b>Reference Index</b>
Brandes Global Opportunities Fund	<ul style="list-style-type: none"> <li>• MSCI All Country World Index</li> </ul>
Bridgehouse Canadian Bond Fund	<ul style="list-style-type: none"> <li>• FTSE TMX Canada Universe Bond Index</li> </ul>
Lazard Global Compounders Fund	<ul style="list-style-type: none"> <li>• MSCI World Index</li> </ul>
Lazard Emerging Markets Multi-Asset Fund	<ul style="list-style-type: none"> <li>• 50% MSCI Emerging Markets Index</li> <li>• 25% J.P. Morgan ELMI+ Index</li> <li>• 12.5% J.P. Morgan EMBI Global Diversified Index</li> <li>• 12.5% J.P. Morgan GBI-EM Global Diversified Index</li> </ul>
Lazard Global Balanced Income Fund	<ul style="list-style-type: none"> <li>• 25% MSCI All Country World Index</li> <li>• 25% MSCI All Country World Index (hedged to CAD)</li> <li>• 25% Barclays Global Aggregate Bond Index</li> <li>• 25% Barclays Global Aggregate Bond Index (hedged to CAD)</li> </ul>
Lazard Global Equity Income Fund	<ul style="list-style-type: none"> <li>• MSCI All Country World Index</li> </ul>
Lazard Global Managed Volatility Fund	<ul style="list-style-type: none"> <li>• MSCI World Index</li> </ul>
Morningstar Aggressive Portfolio	<ul style="list-style-type: none"> <li>• 3% FTSE TMX Canada Universe Bond Index</li> <li>• 28% S&amp;P/TSX Capped Composite Index</li> <li>• 2% FTSE TMX Canada 91 Day T-Bill Index</li> <li>• 67% MSCI All Country World ex-Canada Index</li> </ul>
Morningstar Growth Portfolio	<ul style="list-style-type: none"> <li>• 4% Citigroup World Government Bond Index</li> <li>• 14% FTSE TMX Canada Universe Bond Index</li> <li>• 24% S&amp;P/TSX Capped Composite Index</li> <li>• 2% FTSE TMX Canada 91 Day T-Bill Index</li> <li>• 56% MSCI All Country World ex-Canada Index</li> </ul>
Morningstar Balanced Portfolio	<ul style="list-style-type: none"> <li>• 8% Citigroup World Government Bond Index</li> <li>• 30% FTSE TMX Canada Universe Bond Index</li> <li>• 18% S&amp;P/TSX Capped Composite Index</li> <li>• 2% FTSE TMX Canada 91 Day T-Bill Index</li> <li>• 42% MSCI All Country World ex-Canada Index</li> </ul>
Morningstar Moderate Portfolio	<ul style="list-style-type: none"> <li>• 12% Citigroup World Government Bond Index</li> <li>• 43% FTSE TMX Canada Universe Bond Index</li> <li>• 12% S&amp;P/TSX Capped Composite Index</li> <li>• 5% FTSE TMX Canada 91 Day T-Bill Index</li> <li>• 28% MSCI All Country World ex-Canada Index</li> </ul>
Morningstar Conservative Portfolio	<ul style="list-style-type: none"> <li>• 16% Citigroup World Government Bond Index</li> <li>• 54% FTSE TMX Canada Universe Bond Index</li> <li>• 6% S&amp;P/TSX Capped Composite Index</li> <li>• 10% FTSE TMX Canada 91 Day T-Bill Index</li> <li>• 14% MSCI All Country World ex-Canada Index</li> </ul>
Morningstar Strategic Canadian Equity Fund	<ul style="list-style-type: none"> <li>• S&amp;P/TSX Composite Index</li> </ul>
Sionna Opportunities Fund	<ul style="list-style-type: none"> <li>• 50% S&amp;P/TSX Composite Index</li> <li>• 50% S&amp;P 500 Index</li> </ul>
Sionna Strategic Income Fund	<ul style="list-style-type: none"> <li>• 45% S&amp;P/TSX Composite Index</li> <li>• 25% MSCI World Index</li> <li>• 20% FTSE TMX Canada Universe Bond Index</li> <li>• 10% Barclays Capital U.S. Intermediate Credit Bond Index (Hedged)</li> </ul>

There may be times when we believe this methodology produces a result that does not reflect a Fund's risk based on other qualitative factors. As a result, we may place the Fund in a higher risk rating category, as appropriate.

You can request a copy of our policy at no cost that describes in more detail how we assess and determine the risk ratings of the Funds by calling us at 1-888-861-9998 or by email at [inquiries@bridgehousecanada.com](mailto:inquiries@bridgehousecanada.com).

## **5. Who should invest in this Fund?**

This section tells you the kind of investor the Fund may be suitable for and how the Fund could fit in your portfolio. It is meant as a guide only. Your investment professional can help you make the decisions about which Funds best match your goals.

## **6. Distribution policy**

This section tells you when you can expect to receive distributions of income, capital gains and returns of capital, from the Fund. Distributions on securities held in Bridgehouse registered plans are always reinvested in additional securities of the Funds. Distributions on securities held in other registered plans or in non-registered accounts are automatically reinvested in additional securities of the Fund unless you tell us in writing that you would like to receive cash distributions. We may choose to pay distributions at other times, including when you redeem securities. You will find more information about distributions in *Income Tax Considerations for Investors* on page 34.

## **7. Fund expenses indirectly borne by investors**

Each series of a Fund is responsible for its own expenses and its proportionate share of common Fund expenses. While you don't pay these costs directly, they reduce the Fund's return. The hypothetical example in this section helps you compare the expenses of the Fund to the costs of investing in other Funds. You will find more information about the costs of investing in Funds in *Fees and Expenses* on page 21.

# Brandes Canadian Equity Fund

## Fund details

FUND TYPE	Canadian focused equity fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002 Series D units – May 12, 2014
SECURITIES OFFERED	Series A, Series D, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Canadian Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian issuers. The Fund may also invest in foreign equity securities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular industry at the time of purchase or (b) 150% of the weighting of such industry as represented in the relevant index at the time of purchase. The relevant index for Canadian equities is the S&P/TSX Composite Index.

The Fund may invest up to 49% of the Fund’s total assets in foreign securities.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including other funds managed by Bridgehouse in order to achieve its investment objectives and strategies. Currently, the Fund invests in units of Brandes

## Brandes Canadian Equity Fund

Global Equity Fund. For a description of the investment objectives, strategies, and risks associated with Brandes Global Equity Fund, please see page 58. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 49% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under Derivative risk on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under Specific risks starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Income Trust Securities risk*
- *Small and Mid-Cap issuer risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*

# Brandes Canadian Equity Fund

- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$27.91	\$87.97	\$154.20	\$350.99
Series D	\$18.92	\$59.64	\$104.54	\$237.95
Series F	\$16.59	\$52.30	\$91.66	\$208.65

\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.

## **Brandes Canadian Equity Fund**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Canadian Money Market Fund

## Fund details

FUND TYPE	Canadian money market
INCEPTION DATE	Series A units – July 2, 2002 Series F units – November 12, 2002
SECURITIES OFFERED	Series A and Series F units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Greystone Managed Investments Inc. (“Greystone”)

## What does the Fund invest in?

### ***Investment objective***

The fundamental investment objective of Brandes Canadian Money Market Fund is to achieve a high level of current income while seeking to protect capital and to maintain liquidity.

It invests primarily in Canadian dollar denominated money market instruments.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### ***Investment strategies***

The Fund seeks to maintain a constant NAV of \$10 per unit.

When buying and selling investments, Greystone follows the legal requirements for money market funds. These include minimum limits for quality, maturity and diversification of a Fund’s investments.

The Fund invests in Canadian dollar denominated money market instruments of Canadian and foreign issuers. It may invest in Canadian dollar denominated money market instruments of foreign issuers to the extent deemed appropriate by the portfolio sub-advisor and consistent with its investment objectives and investment strategies.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulators. These transactions will be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and enhance the Fund’s return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may also invest in asset-backed commercial paper issued by Canadian chartered banks. The Fund will typically not invest more than 5% of the assets of the Fund at the time of purchase in a single issuer of asset-backed commercial paper.

# Brandes Canadian Money Market Fund

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Asset-backed securities and mortgage-backed securities risk*
- *Credit Rating risk*
- *Cyber Security risk*
- *Fixed Income Credit risk*
- *Interest Rate risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

## Who should invest in this Fund?

You might want to consider this Fund if you are seeking minimal capital risk and a cash portion for your investment portfolio. To invest in this Fund, you should be able to accept a low degree of risk. You should not invest in this Fund if you are seeking long term capital growth.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

Income and capital gains (if any) are credited to unitholders daily and distributed monthly. Distributions on units of the Fund, other than those allocated on redemption, are always reinvested in additional units of the Fund.

**We automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request distributions in cash in which case we will pay them by cheque or direct deposit to your bank account. You must advise us if you wish to receive distributions in cash.**

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. **Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last.** See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

## Brandes Canadian Money Market Fund

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$12.58	\$39.64	\$69.49	\$158.18
Series F	\$10.96	\$34.56	\$60.58	\$137.90

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Corporate Focus Bond Fund

## Fund details

FUND TYPE	Corporate bond fund
INCEPTION DATE	Series A, Series F, Series I, Series AH, Series FH and Series IH units – January 19, 2007
SECURITIES OFFERED	Series A, Series F, Series I, Series AH, Series FH and Series IH units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Corporate Focus Bond Fund is to generate income and capital appreciation by investing primarily in U.S. dollar denominated corporate fixed income securities, including investment grade and non-investment grade fixed income securities. The Fund may also invest in non-U.S. dollar denominated fixed income securities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up fixed income security selection. Brandes LP believes that consistently buying fixed income securities at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, a fixed income security will be bought when, in Brandes LP’s view, it is selling at a price below its worth. Brandes LP believes the market will eventually recognize the value of such a fixed income security and its price will rise towards its intrinsic value. Fixed income securities are typically sold when they become fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

The Fund may invest in both investment grade and non-investment grade fixed income securities. Generally, at least half of the Fund’s total assets, at the time of purchase, will be invested in fixed income securities that have a long-term credit rating of investment grade by at least one of the following internationally recognized credit rating organizations: Moody’s Investors Service, Standard & Poor’s or Fitch, Inc. Generally, up to 40% of the Fund’s total assets, at the time of purchase, will be invested in non-U.S. dollar denominated fixed income securities. The duration of the securities held in the Fund is generally expected to be within a 20% margin of the Barclays Capital Intermediate U.S. Credit Index duration.

The Fund offers five Hedged Series of securities and five Unhedged Series of securities. The Hedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund will use

## Brandes Corporate Focus Bond Fund

derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure.

The Hedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of securities using derivative instruments.

The return of a Hedged Series of securities will be different from its counterpart Unhedged Series of securities (for example comparing Series AH and Series A securities) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per security of the applicable Hedged Series of securities.

The Fund may invest in securities of other mutual funds (each a "bottom fund") including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

# Brandes Corporate Focus Bond Fund

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Asset-backed securities and mortgage-backed securities risk*
- *Capital Erosion risk*
- *Credit Rating risk*
- *Concentration risk*
- *Cyber Security risk*
- *Currency risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Fixed Income Credit risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 11.56% of the issued and outstanding securities of the Fund was held by one securityholder.

It should be noted that because the Fund uses derivatives to hedge the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities, the Hedged Series of securities will have greater derivative risk than the Unhedged Series of securities. However, the currency risk will be reduced for the Hedged Series of securities because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and wish to add the income potential and appreciation potential of U.S. fixed income securities to their portfolio. To invest in this Fund, investors should be able to accept a low to medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a low to medium degree of volatility.

You should consider investing in the Hedged Series of securities of the Fund if you wish to gain exposure to U.S. fixed income securities but wish to minimize exposure to fluctuations in the U.S. dollar relative to the Canadian dollar.

You should consider investing in the Unhedged Series of securities of the Fund if you wish to gain exposure to U.S. fixed income securities and also wish to be exposed to fluctuations in the U.S. dollar relative to the Canadian dollar.

# Brandes Corporate Focus Bond Fund

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income monthly and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units.

We automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request distributions in cash in which case we will pay them by cheque or direct deposit to your bank account. You must advise us if you wish to receive distributions in cash.

You pay no sales charge on receipt of the distributions. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$15.67	\$49.40	\$86.59	\$197.11
Series AH	\$16.16	\$50.96	\$89.32	\$203.31
Series F	\$9.78	\$30.82	\$54.02	\$122.97
Series FH	\$10.40	\$32.77	\$57.44	\$130.75

**\*Series I and IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Emerging Markets Value Fund

## Fund details

FUND TYPE	Emerging markets fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002 Series D – May 12, 2014
SECURITIES OFFERED	Series A, Series D, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Emerging Markets Value Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of companies located or active mainly in emerging markets. The Fund is not subject to any specific geographic diversification requirements. Regions in which the Fund may invest include Asia, Latin America, Europe and Africa.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular country or industry at the time of purchase or (b) 150% of the weighting of such country or industry as represented in the MSCI Emerging Markets Index at the time of purchase. The Fund generally invests in equity securities of companies that have market capitalizations greater than \$3 billion at the time of purchase.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any

bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

## **What are the risks of investing in the Fund?**

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Small and Mid-Cap issuer risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*

- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of companies in emerging markets to their portfolio. To invest in this Fund, investors should be able to accept a medium to high degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium to high degree of volatility.

This risk classification has been determined in accordance with the CSA’s standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund’s MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$27.71	\$87.37	\$153.14	\$348.60
Series D	\$19.24	\$60.64	\$106.29	\$241.95
Series F	\$16.37	\$51.59	\$90.43	\$205.85

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund’s last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Global Equity Fund

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series F and Series I units – July 2, 2002 Series D units - May 12, 2014 Series AH, Series FH and Series IH units – April 23, 2015
SECURITIES OFFERED	Series A, Series AH, Series D, Series F, Series FH, Series I and Series IH units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Global Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of both Canadian and non-Canadian issuers whose equity market capitalizations exceed \$1 billion at the time of purchase. The Fund is not subject to any specific geographic diversification requirements. Countries in which the Fund may invest include, but are not limited to, Canada, the United States and the nations of Western Europe, North and South America, Australia, Africa and Asia.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular country or industry at the time of purchase or (b) 150% of the weighting of such country or industry as represented in the MSCI World Index at the time of purchase. Generally, no more than 30% of the value of the Fund’s total assets, measured at the time of purchase, may be invested in securities of companies located or active mainly in emerging securities markets throughout the world.

## Brandes Global Equity Fund

The Fund offers three Hedged Series of securities and four Unhedged Series of securities. The Hedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure.

The Hedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of securities using derivative instruments.

The return of a Hedged Series of securities will be different from its counterpart Unhedged Series of securities (for example comparing Series AH and Series A securities) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per security of the applicable Hedged Series of securities.

The Fund may invest in securities of other mutual funds (each a "bottom fund") including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

## Brandes Global Equity Fund

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

It should be noted that because the Fund uses derivatives to hedge the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities, the Hedged Series of securities will have greater derivative risk than the Unhedged Series of securities. However, the currency risk will be reduced for the Hedged Series of securities because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities.

### Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of both Canadian and non-Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk.

This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

You should consider investing in the Hedged Series of securities of the Fund if you wish to gain exposure to global equity securities but wish to minimize exposure to fluctuations in foreign currencies relative to the Canadian dollar.

You should consider investing in the Unhedged Series of securities of the Fund if you wish to gain exposure to global equity securities and also wish to be exposed to fluctuations in foreign currencies relative to the Canadian dollar.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Brandes Global Equity Fund

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A or Series AH units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$23.71	\$74.74	\$131.00	\$298.19
Series AH	\$24.70	\$77.86	\$136.46	\$310.63
Series D	\$15.41	\$48.58	\$85.15	\$193.84
Series F	\$11.96	\$37.69	\$66.07	\$150.39
Series FH	\$12.68	\$39.98	\$70.08	\$159.53

**\*Series I and Series IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Global Opportunities Fund

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series F and Series I units - June 29, 2012
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. ("Brandes LP")

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Global Opportunities Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of both Canadian and non-Canadian issuers across the full market capitalization spectrum at the time of purchase. The Fund is not subject to any specific geographic diversification requirements. Regions in which the Fund may invest include, but are not limited to, North America, Asia, Latin America, Europe and Africa.

The Fund's fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP's view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP's approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of the total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, the Fund may typically invest up to the greater of either (a) 25% of total Fund assets in any particular country or industry at the time of purchase or (b) 300% of the weighting of such country or industry as represented in the MSCI All Country World Index at the time of purchase. The Fund will invest in securities whose equity market capitalizations range in size from small, medium to large and has no set target or limits to the exposure to any one specific market capitalization size. The Fund may, absent unusual market conditions, have significant exposure to small and mid-capitalization securities which involve greater issuer risk than large capitalization securities and the markets for such securities may be more volatile and less liquid. Generally, no more than 40% of total Fund assets, measured at the time of purchase, will be invested in securities of companies located or active mainly in emerging securities markets throughout the world. The Fund may invest up to 15% of total Fund assets, measured at the time of purchase, in non-equity securities, including fixed income

## Brandes Global Opportunities Fund

and convertible bonds. The Fund may invest up to 10% of total Fund assets in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund’s unitholders and they will be entitled to direct a representative of the Fund to vote the Fund’s holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieving the Fund’s overall investment objective and enhancing the Fund’s returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and enhance the Fund’s return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*

# Brandes Global Opportunities Fund

- *Small and Mid-Cap issuer risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of both Canadian and non-Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$25.33	\$79.87	\$139.99	\$318.66
Series F	\$13.97	\$44.04	\$77.19	\$175.70

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

## **Brandes Global Opportunities Fund**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes Global Small Cap Equity Fund

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002 Series D – May 12, 2014
SECURITIES OFFERED	Series A, Series D, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes Global Small Cap Equity Fund is to achieve long-term capital appreciation by investing primarily in equity securities of Canadian and non-Canadian issuers with small equity market capitalizations at the time of purchase. The Fund is not subject to any specific geographic diversification requirements. Countries in which the Fund may invest include, but are not limited to, Canada, the United States and nations of Western Europe, North and South America, Africa, Australia and Asia.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular country or industry at the time of purchase or (b) 150% of the weighting of such country or industry as represented in the S&P Developed Small Cap Index at the time of purchase. Generally, no more than 30% of the value of the Fund’s total assets, measured at the time of purchase, may be invested in securities of companies located or active mainly in emerging securities markets throughout the world. Small capitalization securities involve greater issuer risk than large capitalization securities, and the markets for such securities may be more volatile and less liquid.

## Brandes Global Small Cap Equity Fund

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund’s unitholders and they will be entitled to direct a representative of the Fund to vote the Fund’s holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieving the Fund’s overall investment objective and enhancing the Fund’s returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and enhance the Fund’s return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*

# Brandes Global Small Cap Equity Fund

- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap issuer risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 20.7% of the issued and outstanding securities of the Fund was held by one securityholder.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of both Canadian and non-Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$27.62	\$87.08	\$152.63	\$347.42
Series D	\$19.29	\$60.82	\$106.61	\$242.67
Series F	\$16.34	\$51.52	\$90.30	\$205.54

## Brandes Global Small Cap Equity Fund

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes International Equity Fund

## Fund details

FUND TYPE	International equity fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002 Series D units – May 12, 2014
SECURITIES OFFERED	Series A, Series D, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes International Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of non-Canadian and non-U.S. issuers whose equity market capitalizations exceed \$1 billion at the time of purchase. The Fund is not subject to any specific geographic diversification requirements. Countries in which the Fund may invest include, but are not limited to, the nations of Western Europe, North and South America, Australia, Africa and Asia.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of the total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular country or industry at the time of purchase or (b) 150% of the weighting of such country or industry as represented in the Morgan Stanley Capital International (“MSCI”) EAFE Index at the time of purchase. Generally, no more than 30% of the value of the Fund’s total assets, measured at the time of purchase, may be invested in securities of companies located or active mainly in emerging securities markets throughout the world.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any

## Brandes International Equity Fund

bottom fund without advance notice to unitholders. The Fund will not invest or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*

# Brandes International Equity Fund

- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019 22.17% of the issued and outstanding securities of the Fund was held by one securityholder.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of non-Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$23.73	\$74.80	\$131.12	\$298.46
Series D	\$15.23	\$48.02	\$84.17	\$191.61
Series F	\$12.12	\$38.22	\$66.99	\$152.48

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

## **Brandes International Equity Fund**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes U.S. Equity Fund

## Fund details

FUND TYPE	U.S. equity fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002 Series AH, Series FH and Series IH –April 23, 2015
SECURITIES OFFERED	Series A, Series AH, Series F, Series FH, Series I and Series IH units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes U.S. Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of U.S. issuers with equity market capitalizations that exceed \$1 billion at the time of purchase.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular industry at the time of purchase or (b) 150% of the weighting of such industry as represented in the S&P 500 Index at the time of purchase.

The Fund offers three Hedged Series of securities and three Unhedged Series of securities. The Hedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities,

## Brandes U.S. Equity Fund

although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure.

The Hedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of securities using derivative instruments.

The return of a Hedged Series of securities will be different from its counterpart Unhedged Series of securities (for example comparing Series AH and Series A securities) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per security of the applicable Hedged Series of securities.

The Fund may invest in securities of other mutual funds (each a "bottom fund") including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

# Brandes U.S. Equity Fund

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

It should be noted that because the Fund uses derivatives to hedge the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities, the Hedged Series of securities will have greater derivative risk than the Unhedged Series of securities. However, the currency risk will be reduced for the Hedged Series of securities because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of U.S. companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a medium degree of volatility.

You should consider investing in the Hedged Series of securities of the Fund if you wish to gain exposure to U.S. equity securities but wish to minimize exposure to fluctuations in the U.S. dollar relative to the Canadian dollar.

You should consider investing in the Unhedged Series of securities of the Fund if you wish to gain exposure to U.S. equity securities and also wish to be exposed to fluctuations in the U.S. dollar relative to the Canadian dollar.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

## Brandes U.S. Equity Fund

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A or Series AH units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

### Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$28.09	\$88.55	\$155.20	\$353.29
Series AH	\$28.02	\$88.33	\$154.82	\$352.41
Series F	\$16.48	\$51.95	\$91.06	\$207.27
Series FH	\$16.71	\$52.69	\$92.35	\$210.22

**\*Series I and Series IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Brandes U.S. Small Cap Equity Fund\*

## Fund details

FUND TYPE	U.S. equity fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Brandes Investment Partners, L.P. (“Brandes LP”)

\* Brandes U.S. Small Cap Equity Fund was closed to new purchases on January 29, 2019 and will be merged into Brandes Global Small Cap Equity Fund on or about August 23, 2019, following which it will be terminated.

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Brandes U.S. Small Cap Equity Fund is to achieve long-term capital appreciation by investing primarily in equity securities of U.S. issuers with small equity market capitalizations at the time of purchase.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Brandes LP is a Graham & Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results.

Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.

Brandes LP’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. Typically, no more than 5% of the value of total Fund assets will be invested in any one security at the time of purchase. With respect to Fund investments in any particular industry, the Fund may typically invest up to the greater of either (a) 20% of total Fund assets in any particular industry at the time of purchase or (b) 150% of the weighting of such industry as represented in the Russell 2000 Index at the time of purchase. Small capitalization securities involve greater issuer risk than large capitalization securities, and the market for such securities may be more volatile and less liquid.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any

## Brandes U.S. Small Cap Equity Fund

bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund's investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Brandes LP may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*

# Brandes U.S. Small Cap Equity Fund

- *Series risk*
- *Small and Mid-Cap issuer risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 17.24% of the issued and outstanding securities of the Fund was held by one securityholder.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of U.S. companies to their portfolio. To invest in this Fund, investors should be able to accept a high degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a high degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$27.75	\$87.49	\$153.35	\$349.06
Series F	\$16.64	\$52.45	\$91.93	\$209.26

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

## **Brandes U.S. Small Cap Equity Fund**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Bridgehouse Canadian Bond Fund (formerly, Greystone Canadian Bond Fund)

## Fund details

FUND TYPE	Canadian bond fund
INCEPTION DATE	Series A, Series F and Series I units – November 4, 2014
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Greystone Managed Investments Inc. (“Greystone”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Bridgehouse Canadian Bond Fund is to achieve long-term capital appreciation and income by investing primarily in high-quality Canadian fixed income securities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Fixed income decisions are primarily driven by Greystone’s expectations for interest rates and the shape of the interest rate yield curve. Portfolio construction involves three primary steps: setting portfolio maturity (duration), ensuring sector diversification and seeking value in individual security selection.

The Fund will invest in fixed income securities only if they have a long-term credit rating of investment grade by at least one recognized credit rating service. Generally, up to 20% of the Fund’s total assets, at the time of purchase, can be invested in Canadian bonds issued in foreign currencies. The duration of securities held in the Fund is generally expected to be within 2.5 years of the FTSE TMX Canada Universe Bond Index.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objective and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such

## **Bridgehouse Canadian Bond Fund (formerly, Greystone Canadian Bond Fund)**

meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Greystone may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### **What are the risks of investing in the Fund?**

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Asset-backed securities and mortgage-backed securities risk*
- *Capital Erosion risk*
- *Credit Rating risk*
- *Concentration risk*
- *Cyber Security risk*
- *Currency risk*
- *Derivative risk*
- *Fixed Income Credit risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Tax risk*
  
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 74.46% of the issued and outstanding securities of the Fund was held by three securityholders.

# Bridgehouse Canadian Bond Fund (formerly, Greystone Canadian Bond Fund)

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation and income potential of Canadian fixed income securities to their portfolio.

To invest in this Fund, investors should be able to accept a low degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a low degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income monthly and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. We automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request distributions in cash in which case we will pay them by cheque or direct deposit to your bank account.

You pay no sales charge on receipt of the distributions. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$12.54	\$39.54	\$69.31	\$157.76
Series F	\$7.20	\$22.69	\$39.77	\$90.52

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series AH, Series F, Series FH, Series I and Series IH units – May 9, 2016
SECURITIES OFFERED	Series A, Series AH, Series F, Series FH, Series I and Series IH units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Lazard Asset Management (Canada), Inc. (“Lazard”), a Delaware corporation, which has retained Lazard Asset Management LLC, a Delaware limited liability company, as its sub advisor

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Lazard Global Compounders Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of issuers based around the globe.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

The Fund seeks to generate strong relative returns over a full market cycle by investing solely in what Lazard calls “Compounders”. Lazard defines Compounders as the world’s leading companies that can generate, and sustain, the highest levels of financial productivity (i.e. return on equity, return on capital, and cashflow return on investment). In the Fund, Lazard focuses mainly on identifying Compounders able to reinvest a significant portion of their cash flows back into their business at similarly attractive rates of return. The Fund invests in approximately 40 to 50 companies, around the world, based primarily on Lazard’s conviction in their ability to sustain those high returns and also based on the attractiveness of their valuation. Sector and country weightings are a residual of Lazard’s bottom-up stock selection process and individual positions are typically limited to no more than 7% of the Fund.

The Fund offers three Hedged Series of units and three Unhedged series of units. The Hedged Series of units are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of units are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of units, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of units’ foreign currency exposure.

The Hedges Series of units will have a return that is based primarily on the performance of the portion of the Fund’s portfolio that has been hedged by the Hedged Series of units because the developed markets foreign currency exposure of this portfolio of the Fund is hedged by the Hedged Series of units using derivative instruments. The Unhedged Series of units will have a return that is based primarily on the performance of the portion of the Fund’s

## Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)

portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of units using derivative instruments.

The return of the Hedged Series of units will be different from its counterpart Unhedged Series of units (for example comparing Series AH and Series A units) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per unit of the applicable Hedged Series of units.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objective and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund’s unitholders and they will be entitled to direct a representative of the Fund to vote the Fund’s holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieving the Fund’s overall investment objective and enhancing the Fund’s returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and enhance the Fund’s return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Lazard may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*

## Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)

- *Cyber Security risk*
- *Derivative risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Illiquid Assets Valuation risk*

It should be noted that because the Fund uses derivatives to hedge the foreign currency exposures of the portions of the Fund that are attributable to the Hedged Series of units, the Hedges Series of units will have greater derivative risk than the Unhedged Series of units. However, the currency risk will be reduced for the Hedged Series of units because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of units.

### Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of global companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a medium degree of volatility.

You should consider investing in the Hedged Series of units of the Fund if you wish to gain exposure to global equity securities but wish to minimize exposure to fluctuations in foreign currencies relative to the Canadian dollar.

You should consider investing in the Unhedged Series of units of the Fund if you wish to gain exposure to global equity securities and also wish to be exposed to fluctuations in foreign currencies relative to the Canadian dollar.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

### Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, will be automatically reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wished to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed

## Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)

units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

### Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$24.29	\$76.59	\$134.24	\$305.57
Series AH	\$24.29	\$76.57	\$134.20	\$305.48
Series F	\$12.65	\$39.89	\$69.92	\$159.16
Series FH	\$13.04	\$41.11	\$72.05	\$164.00

**\*Series I and Series IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Lazard Emerging Markets Multi-Asset Fund

## Fund details

FUND TYPE	Global balanced fund
INCEPTION DATE	Series A, Series F and Series I units - February 27, 2013
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISORS	Lazard Asset Management (Canada), Inc. ("Lazard"), a Delaware corporation, which has retained Lazard Asset Management LLC, a Delaware limited liability company, as its sub-advisor

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Lazard Emerging Markets Multi-Asset Fund is to achieve long-term capital appreciation by investing primarily in the equity, debt and currencies of emerging market issuers. By combining equity, debt and currencies and periodically readjusting allocations, the Fund seeks to create a lower volatility pattern of returns when compared to emerging market equities.

The Fund's fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Lazard employs a team based approach in the management of the Fund. Lazard's strategy is founded on the philosophy that an understanding of the current economic environment can be coupled with research into the drivers of (and risks to) outperformance in the strategies it utilizes to create a portfolio aligned with the current economic cycle. The Fund will invest in a combination of equity and debt securities that are representative of different investment styles based on Lazard's view of market and economic conditions at the time. The combination of equity and debt exposure as well as the combination of investment styles will change as Lazard's assessment of the current market and economic environments change.

Lazard's allocation decisions among the strategies will be based on quantitative and qualitative analysis using a number of different tools, including proprietary software models. Quantitative analysis includes, among others, statistical analysis of portfolio risks, factor dependencies and trading tendencies. Qualitative analysis includes, among others, analysis of the global economic environment as well as internal and external research on individual securities, portfolio holdings, attribution factors, behavioral patterns and overall market views and scenarios.

The Fund may invest in:

- equity securities that are in an emerging market country, including common stocks and depositary receipts and shares;

## Lazard Emerging Markets Multi-Asset Fund

- debt securities issued or guaranteed by governments of emerging market countries, government agencies or supranational bodies;
- debt securities issued by companies or other private-sector entities domiciled in emerging markets countries, including fixed and/or floating rate investment grade and non-investment grade bonds, convertible securities, commercial paper, collateralized debt obligations, short- and medium-term obligations and other fixed-income obligations; and
- emerging markets currencies and related instruments (primarily forward currency contracts) and structured notes.

The Fund may invest in securities of issuers of any size or market capitalization. The Fund is not limited to securities of any particular quality or investment grade and, as a result, the Fund may invest significantly in securities rated below investment grade or securities that are unrated.

The Fund's currency strategy uses forward currency contracts, options on currencies and structured notes, although the Fund may not allocate assets to the currency strategy at all times, and there may be no allocation to currency investments for significant periods of time. The Fund also may, but is not required to, enter into forward foreign currency contracts, purchase options on currencies and enter into currency swaps to hedge the foreign currency exposure associated with equity or debt investment strategies. The Fund also may, but is not required to, purchase options on securities, including exchange traded funds ("ETFs") and enter into credit default swaps and other types of swaps, for hedging purposes or to seek to increase returns.

The Fund may invest in securities of other mutual funds (each a "bottom fund") including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The portfolio advisor considers a variety of factors in choosing whether to invest in a bottom fund, including, but not limited to, the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds other than index participation units. Index participation units means securities traded on a stock exchange in Canada or the United States and issued by an issuer the only purpose of which is to: (i) hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or (ii) invest in a manner that causes the issuer to replicate the performance of that index. The Fund will generally invest in index participation units when it is more efficient and/or offers more diversity than investing in specific securities or to gain exposure to one or more particular securities or markets or sectors.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

# Lazard Emerging Markets Multi-Asset Fund

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Lazard may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Asset - backed securities and mortgage - backed securities risk*
- *Credit Rating risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Fixed Income Credit risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 11.22% of the issued and outstanding securities of the Fund was held by one securityholder.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of equity securities of emerging markets companies combined with emerging markets debt exposure to their portfolio.

To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Lazard Emerging Markets Multi-Asset Fund

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$28.62	\$90.22	\$158.13	\$359.94
Series F	\$16.98	\$53.54	\$93.84	\$213.60

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Lazard Global Balanced Income Fund

## Fund details

FUND TYPE	Global balanced fund
INCEPTION DATE	Series A, Series F and Series I units – November 4, 2014
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Lazard Asset Management (Canada), Inc. (“Lazard”), a Delaware corporation, which has retained Lazard Asset Management LLC., a Delaware limited liability company, as its sub-advisor

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Lazard Global Balanced Income Fund is to achieve long-term capital appreciation and to generate income by investing primarily in the equity and debt securities of issuers based around the globe. By combining equity and debt and periodically readjusting allocations, the Fund seeks to create a lower volatility pattern of returns when compared to global equities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Lazard employs a team based approach in the management of the Fund. Lazard’s strategy is founded on the philosophy that an understanding of the current economic environment can be coupled with research into the drivers of (and risks to) outperformance in the strategies it utilizes to create a portfolio aligned with the current economic cycle. The Fund will invest in a combination of equity and debt securities that are representative of different investment styles based on Lazard’s view of market and economic conditions at the time. The combination of investment styles will change as Lazard’s assessment of the current market and economic environments change.

Lazard’s allocation decisions among the strategies will be based on quantitative and qualitative analysis using a number of different tools, including proprietary software models. Quantitative analysis includes, among others, analysis of the global economic environment as well as internal and external research on individual securities, portfolio holdings, attribution factors, behavioural patterns and overall market views and scenarios.

The Fund may invest in:

- equity securities that are in developed and emerging market countries, including common stocks and depositary receipts and shares;
- debt securities issued or guaranteed by governments of developed and emerging market countries, government agencies or supranational bodies; and

## Lazard Global Balanced Income Fund

- debt securities issued by companies or other private sector entities domiciled in developed and emerging market countries, including fixed and/or floating rate investment grade and non-investment grade bonds, convertible securities, commercial paper, collateralized debt obligations, short and medium term obligations and other fixed income obligations.

The Fund may invest in securities of issuers of any size or market capitalization. The Fund is not limited to securities of any particular quality or investment grade and, as a result, the Fund may invest significantly in securities rated below investment grade or securities that are unrated.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objective and strategies. Currently, Lazard Global Balanced Income Fund invests in units of one of the Bridgehouse Funds, namely Lazard Emerging Markets Multi-Asset Fund. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 40% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The portfolio advisor considers a variety of factors in choosing whether to invest in a bottom fund, including, but not limited to, the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund’s unitholders and they will be entitled to direct a representative of the Fund to vote the Fund’s holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieving the Fund’s overall investment objective and enhancing the Fund’s returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and enhance the Fund’s return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Lazard may actively trade the Fund’s investments. This can increase trading costs, which lower the Fund’s returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### **What are the risks of investing in the Fund?**

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

# Lazard Global Balanced Income Fund

- *Asset-backed securities and mortgage-backed securities risk*
- *Capital Erosion risk*
- *Credit Rating risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Fixed Income Credit risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

As at April 30, 2019, 10.62% of the issued and outstanding securities of the Fund was held by two securityholders.

## Who should invest in this Fund?

This Fund is suitable for investors who are long term investors and who wish to add the appreciation potential of global equities and debt securities to their portfolio.

To invest in this Fund, investors should be able to accept a low to medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a low to medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund intends to distribute a regular monthly amount (in cash or reinvested units) that may consist of some combination of net income, net capital gains and/or a return of capital. **If the regular monthly payouts exceed the Fund's net income and net capital gains for the year, the excess amount will be treated as return of capital.** You will not be taxed on a return of capital, but it will reduce the adjusted cost base ("ACB") of your securities of that series of units if they are held outside a registered plan. **You should not confuse returns of capital with a Fund's rate of return or yield.** For more information, please see the *Income Tax Considerations for Investors* on page 34.

The monthly amount may be adjusted during the year, if required and without prior notification, as capital market conditions change. Additionally, the Fund may pay distributions at other times (in cash or reinvested units) during the year, including distributions of capital gains to investors who redeem units.

**We automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request**

## Lazard Global Balanced Income Fund

**distributions in cash in which case we will pay them by cheque or direct deposit to your bank account. You must advise us if you wish to receive distributions in cash.**

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. **Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last.** See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

### Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$24.94	\$78.63	\$137.82	\$313.72
Series F	\$13.22	\$41.66	\$73.02	\$166.22

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Lazard Global Equity Income Fund

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series F and Series I units - February 27, 2013 Series AH, Series FH and Series IH –April 23, 2015
SECURITIES OFFERED	Series A, Series AH, Series F, Series FH, Series I and Series IH units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISORS	Lazard Asset Management (Canada), Inc. (“Lazard”), a Delaware corporation, which has retained Lazard Asset Management LLC, a Delaware limited liability company, as its sub-advisor

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Lazard Global Equity Income Fund is to achieve long-term capital appreciation and dividend income by investing primarily in the equity securities of large, medium and small capitalization issuers based around the globe, including the emerging markets. The Fund will seek to invest in high-yielding equity securities focused on total return and not purely dividend yield.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Lazard’s investment philosophy is implemented by assessing the relationship between valuation and financial productivity for an individual security. In Lazard’s view the financial productivity – the return a company generates on its investments – measures how effectively a company is putting its shareholders’ capital to work and ultimately this drives valuation.

Lazard will seek out high-yielding equity securities focusing on total return and not simply dividend yield. When attractive yield opportunities are identified Lazard assesses the sustainability and growth of the dividend payments as well as the relative capital appreciation potential of different opportunities using their global perspective, focusing on those stocks which offer the most attractive combination of low valuation and robust financial productivity.

Lazard’s investment process focuses on finding equities with robust dividend yields across all regions and countries. Generally the maximum allocation to emerging markets will be the index weight, as measured by the MSCI ACWI plus 15%, with a maximum of 10% in individual emerging markets countries at the time of purchase. The Fund may also invest up to 10% of the portfolio in smaller cap securities, at the time of purchase.

The Fund offers three Hedged Series of securities and three Unhedged Series of securities. The Hedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund

## Lazard Global Equity Income Fund

will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure.

The Hedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of securities using derivative instruments.

The return of a Hedged Series of securities will be different from its counterpart Unhedged Series of securities (for example comparing Series AH and Series A securities) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per security of the applicable Hedged Series of securities.

The Fund may invest in securities of other mutual funds (each a "bottom fund") including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The portfolio advisor considers a variety of factors in choosing whether to invest in a bottom fund, including, but not limited to, the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

# Lazard Global Equity Income Fund

The Portfolio Sub-Advisors may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Capital Erosion risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Emerging Markets risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

It should be noted that because the Fund uses derivatives to hedge the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities, the Hedged Series of securities will have greater derivative risk than the Unhedged Series of securities. However, the currency risk will be reduced for the Hedged Series of securities because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of dividend paying companies from across the globe to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

You should consider investing in the Hedged Series of securities of the Fund if you wish to gain exposure to global equity securities but wish to minimize exposure to fluctuations in foreign currencies relative to the Canadian dollar.

You should consider investing in the Unhedged Series of securities of the Fund if you wish to gain exposure to global equity securities and also wish to be exposed to fluctuations in foreign currencies relative to the Canadian dollar.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Lazard Global Equity Income Fund

## Distribution policy

The Fund intends to distribute a regular monthly amount that may consist of some combination of net income, net capital gains and/or a return of capital. **If the regular monthly payouts exceed the Fund's net income and net capital gains for the year, the excess amount will be treated as return of capital.** You will not be taxed on a return of capital, but it will reduce the adjusted cost base ("ACB") of your securities of that series of units if they are held outside a registered plan. For more information, please see the *Income Tax Considerations for Investors* on page 34.

The monthly amount may be adjusted during the year, if required and without prior notification, as capital market conditions change. Additionally, the Fund may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. **We will automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request distributions in cash in which case we will pay them by cheque or direct deposit to your bank account. You must advise us if you wish to receive distributions in cash.**

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A or Series AH units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. **Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last.** See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$26.00	\$81.97	\$143.68	\$327.05
Series AH	\$26.83	\$84.59	\$148.27	\$337.50
Series F	\$14.11	\$44.49	\$77.97	\$177.49
Series FH	\$15.36	\$48.42	\$84.87	\$193.18

**\*Series I and Series IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Lazard Global Managed Volatility Fund

## Fund details

FUND TYPE	Global equity fund
INCEPTION DATE	Series A, Series F and Series I units – September 9, 2015 Series AH, Series FH and Series IH units – May 9, 2016
SECURITIES OFFERED	Series A, Series F, Series I, Series AH, Series FH, and Series IH units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Lazard Asset Management (Canada), Inc. (“Lazard”), a Delaware corporation, which has retained Lazard Asset Management LLC, a Delaware limited liability company, as its sub-advisor

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Lazard Global Managed Volatility Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of issuers based around the globe. The Fund seeks to create a lower volatility pattern of returns when compared to global equities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Lazard’s investment philosophy is implemented utilizing a quantitatively driven, bottom up stock selection process. A principal component of Lazard’s investment process for the Fund is volatility management. Volatility, a risk measurement, measures the magnitude of fluctuations in the value of a financial instrument or index over time. Lazard seeks to generate attractive risk-adjusted returns while lowering volatility, as compared to the volatility of the MSCI World Index, by using a benchmark-unaware stock selection strategy driven by inputs that are intended to identify fundamentally attractive companies with favorable market sentiment. Lazard performs an independent assessment of stock risk and also seeks to manage risk through diversification.

Lazard will typically focus on securities of developed market companies and may invest in securities of issuers of any size or market capitalization. The Fund invests in securities giving it investment exposure to issuers based around the globe and may, at any point in time, be 100% invested in non-Canadian securities.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The portfolio advisor considers a variety of factors in choosing whether to invest in a bottom fund, including, but not limited to, the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual

## Lazard Global Managed Volatility Fund

securities. The Fund will not invest in or hold more than 10% of the Fund's total net assets in securities of other mutual funds.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund offers three Hedged Series of securities and three Unhedged Series of securities. The Hedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities, but wish to minimize exposure to fluctuations in foreign currency. The Unhedged Series of securities are intended for investors who wish to indirectly gain exposure to foreign securities and also wish to be exposed to fluctuations in foreign currency. The Fund will use derivatives such as forward contracts to hedge the foreign currency exposure of the Hedged Series of securities, although there will be circumstances, from time to time, where the level of hedging does not fully cover the Hedged Series of securities' foreign currency exposure.

The Hedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has been hedged by the Hedged Series of securities because the developed markets foreign currency exposure of this portion of the Fund is hedged by the Hedged Series of securities using derivative instruments. The Unhedged Series of securities will have a return that is based primarily on the performance of the portion of the Fund's portfolio that has not been hedged because the developed markets foreign currency exposure of this portion of the Fund is not hedged by the Unhedged Series of securities using derivative instruments.

The return of a Hedged Series of securities will be different from its counterpart Unhedged Series of securities (for example comparing Series AH and Series A securities) because the entire effect of the foreign currency hedging of the Fund, as well as the costs associated with employing the hedging strategy in the Fund, will be reflected only in the NAV per security of the applicable Hedged Series of securities.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Lazard may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

# Lazard Global Managed Volatility Fund

## What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity Risk*
- *Market Risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Illiquid Assets Valuation risk*

It should be noted that because the Fund uses derivatives to hedge the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities, the Hedged Series of securities will have greater derivative risk than the Unhedged Series of securities. However, the currency risk will be reduced for the Hedged Series of securities because their portion of the Fund's developed markets foreign currency exposure will be hedged although there will be circumstances, from time to time, where the level of hedging does not fully cover the developed markets foreign currency exposure of the portfolio of the Fund that is attributable to the Hedged Series of securities.

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of companies from across the globe to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

You should consider investing in the Hedged Series of securities of the Fund if you wish to gain exposure to foreign equity securities but wish to minimize exposure to fluctuations in foreign currencies relative to the Canadian dollar.

You should consider investing in the Unhedged Series of securities of the Fund if you wish to gain exposure to foreign equity securities and also wish to be exposed to fluctuations in foreign currencies relative to the Canadian dollar.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, will be automatically reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Lazard Global Managed Volatility Fund

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A or Series AH units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wished to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

### Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$25.02	\$78.86	\$138.23	\$314.65
Series AH	\$25.79	\$81.30	\$142.51	\$324.38
Series F	\$13.35	\$42.09	\$73.77	\$167.92
Series FH	\$14.03	\$44.22	\$77.51	\$176.44

**\*Series I and Series IH units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Aggressive Portfolio

## Fund details

FUND TYPE	Global Equity
INCEPTION DATE	Series A, Series F units and Series I –May 15, 2017
SECURITIES OFFERED	Series A, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of the Morningstar Aggressive Portfolio is to achieve long-term capital appreciation by investing primarily in a diverse mix of other mutual funds and exchange traded funds that invest in Canadian and global equity securities with limited exposure to fixed income securities.

The Fund may also invest directly in pooled funds (subject to regulatory exemptive relief), individual fixed income and equity securities and cash or cash equivalents.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to actively manage the Fund’s asset mix and investments with a range of exposure from 0% to 20% in defensive assets such as fixed income and cash and from 80% to 100% exposure to growth assets such as equities.

Morningstar seeks to provide diversification across multiple investments, investment managers, and investment styles and may dynamically shift the Fund’s exposure to specific investments based upon their view of the market and the suitability of each investment within the Fund.

The Fund plans to invest in mutual funds, exchange traded funds and pooled funds (each a “bottom fund”), potentially including funds managed by Bridgehouse, in order to achieve its investment objective and strategies. The Fund has obtained exemptive relief from the Canadian securities regulators to invest up to 10% of its net assets, taken at market value at the time of investment, in units of Galibier Canadian Equity Pool, subject to certain conditions. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting

## Morningstar Aggressive Portfolio

of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *ETF risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for long-term investors primarily seeking capital appreciation potential of Canadian and global equity mutual funds and exchange traded funds to their portfolio. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Morningstar Aggressive Portfolio

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$24.91	\$78.52	\$137.63	\$313.28
Series F	\$13.33	\$42.01	\$73.63	\$167.60
Series I	\$0.92	\$2.91	\$5.10	\$11.60

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Balanced Portfolio

## Fund details

FUND TYPE	Global Neutral Balanced
INCEPTION DATE	Series A, Series F and Series I units –May 15, 2017
SECURITIES OFFERED	Series A, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of the Morningstar Balanced Portfolio is to achieve a combination of long-term capital appreciation and income by investing primarily in a diverse mix of mutual funds and exchange traded funds that invest in Canadian and global fixed-income and equity securities.

The Fund may also invest directly in pooled funds (subject to regulatory exemptive relief), individual fixed income and equity securities and cash or cash equivalents.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to actively manage the Fund’s asset mix and investments with a range of exposure from 25% to 55% in defensive assets, such as fixed income and cash, and from 45% to 75% exposure to growth assets such as equities.

Morningstar seeks to provide diversification across multiple investments, investment managers, and investment styles and may dynamically shift the Fund’s exposure to specific investments based upon their view of the market and the suitability of each investment within the Fund.

The Fund plans to invest in mutual funds, exchange traded funds and pooled funds (each a “bottom fund”) potentially including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund has obtained exemptive relief from the Canadian securities regulators to invest up to 10% of its net assets, taken at market value at the time of investment, in units of Galibier Canadian Equity Pool, subject to certain conditions. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting

## Morningstar Balanced Portfolio

of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *ETF risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for long-term investors who wish to add the income potential and appreciation potential of fixed income and equity mutual funds and exchange traded funds to their portfolio. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a low to medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Morningstar Balanced Portfolio

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$23.47	\$74.00	\$129.70	\$295.23
Series F	\$11.79	\$37.16	\$65.13	\$148.26
Series I	\$0.72	\$2.26	\$3.96	\$9.02

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Conservative Portfolio

## Fund details

FUND TYPE	Global Fixed Income Balanced
INCEPTION DATE	Series A, Series F and Series I units –May 15, 2017
SECURITIES OFFERED	Series A, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of the Morningstar Conservative Portfolio is to preserve value and achieve modest long-term capital appreciation and income by investing primarily in a diverse mix of other mutual funds and exchange traded funds that invest in Canadian and global fixed-income and equity securities.

The Fund may also invest directly in pooled funds (subject to regulatory exemptive relief), individual fixed income and equity securities and cash or cash equivalents.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to actively manage the Fund’s asset mix and investments with a range of exposure from 65% to 95% in defensive assets such as fixed income and cash and from 5% to 35% exposure to growth assets such as equities.

Morningstar seeks to provide diversification across multiple investments, investment managers, and investment styles and may dynamically shift the Fund’s exposure to specific investments based upon their view of the market and the suitability of each investment within the Fund.

The Fund plans to invest in mutual funds, exchange traded funds and pooled funds (each a “bottom fund”) potentially including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund has obtained exemptive relief from the Canadian securities regulators to invest up to 10% of its net assets, taken at market value at the time of investment, in units of Galibier Canadian Equity Pool, subject to certain conditions. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting

## Morningstar Conservative Portfolio

of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *ETF risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for long-term investors who wish to add the income potential and appreciation potential of fixed income and equity mutual funds and exchange traded funds to their portfolio. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a low degree of volatility.

To invest in this Fund, investors should be able to accept a low degree of risk.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Morningstar Conservative Portfolio

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$18.66	\$58.81	\$103.08	\$234.64
Series F	\$9.53	\$30.05	\$52.67	\$119.90
Series I	\$0.51	\$1.62	\$2.83	\$6.45

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Growth Portfolio

## Fund details

FUND TYPE	Global Equity Balanced
INCEPTION DATE	Series A, Series F and Series I units –May 15, 2017
SECURITIES OFFERED	Series A, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of the Morningstar Growth Portfolio is to achieve long-term capital appreciation by investing primarily in a diverse mix of other mutual funds and exchange traded funds that invest in Canadian and global equity and fixed income securities.

The Fund may also invest directly in pooled funds (subject to regulatory exemptive relief), individual fixed income and equity securities and cash or cash equivalents.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to actively manage the Fund’s asset mix and investments with a range of exposure from 5% to 35% in defensive assets, such as fixed income and cash, and from 65% to 95% exposure to growth assets such as equities.

Morningstar seeks to provide diversification across multiple investments, investment managers, and investment styles and may dynamically shift the Fund’s exposure to specific investments based upon their view of the market and the suitability of each investment within the Fund.

The Fund plans to invest in mutual funds, exchange traded funds and pooled funds (each a “bottom fund”) potentially including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund has obtained exemptive relief from the Canadian securities regulators to invest up to 10% of its net assets, taken at market value at the time of investment, in units of Galibier Canadian Equity Pool, subject to certain conditions. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting

## Morningstar Growth Portfolio

of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *ETF risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for long-term investors who wish to add the income potential and appreciation potential of fixed income and equity mutual funds and exchange traded funds to their portfolio. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Morningstar Growth Portfolio

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$24.40	\$76.91	\$134.80	\$306.84
Series F	\$12.61	\$39.75	\$69.66	\$158.58
Series I	\$0.92	\$2.91	\$5.10	\$11.60

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Moderate Portfolio

## Fund details

FUND TYPE	Global Fixed Income Balanced
INCEPTION DATE	Series A, Series F and Series I units –May 15, 2017
SECURITIES OFFERED	Series A, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of the Morningstar Moderate Portfolio is to preserve value and achieve a mix of long-term capital appreciation and income by investing primarily in a diverse mix of other mutual funds and exchange traded funds that invest in Canadian and global fixed-income and equity securities.

The Fund may also invest directly in pooled funds (subject to regulatory exemptive relief), individual fixed income and equity securities and cash or cash equivalents.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to actively manage the Fund’s asset mix and investments with a range of exposure from 45% to 75% in defensive assets, such as fixed income and cash, and from 25% to 55% exposure to growth assets such as equities.

Morningstar seeks to provide diversification across multiple investments, investment managers, and investment styles and may dynamically shift the Fund’s exposure to specific investments based upon their view of the market and the suitability of each investment within the Fund.

The Fund plans to invest in mutual funds, exchange traded funds and pooled funds (each a “bottom fund”) potentially including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund has obtained exemptive relief from the Canadian securities regulators to invest up to 10% of its net assets, taken at market value at the time of investment, in units of Galibier Canadian Equity Pool, subject to certain conditions. The Fund may change its investment in any bottom fund without advance notice to unitholders.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting

## Morningstar Moderate Portfolio

of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *ETF risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for long-term investors who wish to add the income potential and appreciation potential of fixed income and equity mutual funds and exchange traded funds to their portfolio. This Fund is not suitable as a short term investment or for an investor who cannot tolerate a low to medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Morningstar Moderate Portfolio

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units	1-Year	3-Year	5-Year	10-Year
Series A	\$20.71	\$65.27	\$114.41	\$260.43
Series F	\$10.87	\$34.25	\$60.04	\$136.66
Series I	\$0.62	\$1.94	\$3.40	\$7.74

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Morningstar Strategic Canadian Equity Fund

## Fund details

FUND TYPE	Canadian equity fund
INCEPTION DATE	Series A, Series D, Series F and Series I units –September 16, 2016
UNITS OFFERED	Series A, Series D, Series F and Series I units of a mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Morningstar Associates Inc. (“Morningstar”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Morningstar Strategic Canadian Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian issuers.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Morningstar uses a disciplined process to select stocks from among sufficiently liquid and investable companies. Stocks are selected based on a combination of diversified factors such as value, quality, reasonable-risk and momentum. These factors, subject to Morningstar’s ongoing research, may be represented by such measures as:

- Proprietary ratings of financial health and other ratings
- Historical risk measures
- Price to earnings ratios
- Return on equity
- Earnings growth
- Earnings estimate revisions
- Reinvestment rates
- Price changes over time

Individual stock allocations at time of purchase will typically be limited to a 5.0% maximum, with a typical exposure of up to 30% in any one Global Industry Classification Standard sector.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objective and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for

## Morningstar Strategic Canadian Equity Fund

selecting mutual fund securities are the same as the criteria for selecting individual securities described elsewhere in the Fund's investment objective and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objective by temporarily investing most or all of its assets in cash during periods of market downturn or for other reasons.

Morningstar may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Cyber Security risk*
- *Derivative risk*
- *Fund-on-Fund risk*
- *Income Trust Securities risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Tax risk*
- *Illiquid Assets Valuation risk*

# Morningstar Strategic Canadian Equity Fund

## Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of Canadian companies to their portfolio. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

To invest in this Fund, investors should be able to accept a medium degree of risk.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund, unless you tell us in writing that you would like to receive cash distributions. Please see page 42 for more information.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	20.19	\$63.65	\$111.57	\$253.97
Series D	\$10.42	\$32.86	\$57.60	\$131.12
Series F	\$8.71	\$27.46	\$48.13	\$109.55

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)

## Fund details

FUND TYPE	Canadian balanced fund
INCEPTION DATE	Series A, Series F and Series I units - July 2, 2002
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISORS	Sionna Investment Managers Inc. ("Sionna") Brandes Investment Partners, L.P. ("Brandes LP")

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Sionna Strategic Income Fund is to achieve long-term capital appreciation and income by investing primarily in the equity securities of both Canadian companies and high-quality Canadian government and corporate fixed-income securities. The Fund may also invest in foreign companies and high-quality U.S. government and corporate fixed-income securities.

The Fund's fundamental investment objective cannot be changed unless approval from a majority of unitholders is received who vote at a special meeting called for that purpose.

### *Investment strategies*

To achieve the Fund's investment objective, Bridgehouse has selected two portfolio sub-advisors and allocates a portion of the Fund's assets to each portfolio sub-advisor. Bridgehouse also allocates a portion of the Fund's assets, typically 30-35%, to fixed income investments. The specific allocations between the portfolio sub-advisors vary from time to time at the discretion of Bridgehouse, but will generally remain in the ranges described below.

The portfolio sub-advisors and their respective allocations and investment strategies are:

Name	Allocation	Investment Strategies
Sionna Investment Managers Inc. ("Sionna")	Canadian Equities Typically 40 – 45% of the Fund's assets	Sionna applies a relative Graham & Dodd value approach to stock selection. Generally, stocks of Canadian companies that are financially strong and have a measurable worth will be bought when, in Sionna's view, the stock is selling at a price below its estimated worth or its intrinsic value. Sionna believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. Stocks are typically sold when they become fully valued. To achieve the Fund's investment objective, Sionna invests primarily in the equity securities of larger Canadian issuers.  Sionna's approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. With respect to Fund investments in any particular industry, Sionna may typically invest up to the greater of either (a) 20% of total Fund assets managed by Sionna in any particular industry at the time of purchase

## Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)

Name	Allocation	Investment Strategies
		or (b) 150% of the weighting of such industry as represented in the S&P/TSX Composite Index at the time of purchase.
Brandes Investment Partners, L.P. (“Brandes LP”)	Global Equities  Typically 25% of the Fund’s assets	<p>Brandes LP is a Graham &amp; Dodd value-oriented, global investment adviser that applies fundamental analysis to bottom-up security selection. Brandes LP believes that consistently buying businesses at discounts to conservative estimates of their intrinsic value has the potential to produce competitive long-term results. Generally, stocks of companies that are financially viable will be bought when, in Brandes LP’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Brandes LP believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. A stock is typically sold when it becomes fully valued or when another stock is identified as selling at a meaningfully larger discount to its intrinsic value.</p> <p>Brandes LP’s approach in selecting equity investments for the Fund is oriented to individual stock selection and is value driven as described above. The strategy typically focuses on companies with attractive dividend yields relative to the Morgan Stanley World Index (“MSCI World”), based on either current dividend yields or forecasted dividend levels over the next three to five years. Typically, no more than 5% of the value of the global equity portion of the total Fund assets managed by Brandes LP will be invested in any one security at the time of purchase. With respect to Fund investments in any particular country or industry, Brandes LP may typically invest up to the greater of either (a) 30% of the global equity portion of the total Fund assets managed by Brandes LP in any particular country or industry at the time of purchase or (b) 150% of the weighting of such country or industry as represented in the MSCI World Index at the time of purchase. Generally, no more than 30% of the global equity portion of the value of the Fund’s total assets managed by Brandes LP, measured at the time of purchase, may be invested in securities of companies located or active mainly in emerging securities markets throughout the world.</p>

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds which may be managed by Bridgehouse in order to achieve its investment objectives and strategies. Currently, the Fund invests in units of two Bridgehouse Funds, namely Bridgehouse Canadian Bond Fund and Brandes Corporate Focus Bond Fund (Hedged), for the Fund’s fixed income investments allocation. For a description of the investment objective, strategies, and risks associated with Bridgehouse Canadian Bond Fund, please see page 82 and for Brandes Corporate Focus Bond Fund (Hedged), please see page 51. The Fund may change its investment in any bottom fund without advance notice to unitholders. When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities. The Fund will not invest in or hold more than 35% of the Fund’s total net assets in securities of other mutual funds.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund’s unitholders and they will be entitled to direct a representative of the Fund to vote the Fund’s holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieving the Fund’s overall investment objective and enhancing the Fund’s returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

## **Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)**

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

The portfolio sub-advisors may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### **What are the risks of investing in the Fund?**

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Asset-backed securities and mortgage-backed securities risk*
- *Concentration risk*
- *Credit Rating risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Fixed Income Credit risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Income Trust Securities risk*
- *Interest Rate risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

### **Who should invest in this Fund?**

This Fund is suitable for investors who are long-term investors, who wish to add the appreciation potential of Canadian companies to their portfolio as well as the security of fixed income investments.

To invest in this Fund, investors should be able to accept a low to medium degree of risk. The Fund is not suitable as a short term investment or for investors who cannot tolerate a low to medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

# Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)

## Distribution policy

The Fund intends to distribute a regular monthly amount that may consist of some combination of net income, net capital gains and/or a return of capital. If the regular monthly payouts exceed the Fund's net income and net capital gains for the year, the excess amount will be treated as return of capital. You will not be taxed on a return of capital, but it will reduce your adjusted cost base ("ACB") of your securities of that series of units if they are held outside a registered plan. For more information, please see the Income Tax Considerations for Investors on page 34.

The monthly amount may be adjusted during the year, if required and without prior notification, as capital market conditions change. Additionally, the Fund may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. We will automatically reinvest distributions in additional units of the Fund if you hold your units inside a registered plan. In respect of units held outside a registered plan, we automatically reinvest distributions unless you request distributions in cash in which case we will pay them by cheque or direct deposit to your bank account. You must advise us if you wish to receive distributions in cash.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See Fees and Expenses on page 21 and Redemption Fees on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$25.02	\$78.87	\$138.25	\$314.69
Series F	\$13.12	\$41.35	\$72.48	\$155.68

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Sionna Canadian Equity Fund

## Fund details

FUND TYPE	Canadian equity fund
INCEPTION DATE	Series A, Series F and Series I units – December 29, 2006 Series D units – May 12, 2014
SECURITIES OFFERED	Series A, Series D, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISORS	Sionna Investment Managers Inc. (“Sionna”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Sionna Canadian Equity Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian issuers. The Fund may also invest in foreign equity securities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Sionna applies a relative Graham & Dodd value approach to stock selection. Generally, stocks of Canadian companies that are financially strong and have a measurable worth will be bought when, in Sionna’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Sionna believes the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. Stocks are typically sold when they become fully valued. To achieve the Fund’s investment objective, Sionna invests primarily in the equity securities of larger Canadian issuers.

Sionna’s approach in selecting investments for the Fund is oriented to individual stock selection and is value driven as described above. With respect to Fund investments in any particular industry, Sionna may typically invest up to the greater of either (a) 20% of total Fund assets managed by Sionna in any particular industry at the time of purchase or (b) 150% of the weighting of such industry as represented in the S&P/TSX Composite Index at the time of purchase.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

The portfolio sub-advisors may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

## **What are the risks of investing in the Fund?**

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Income Trust Securities risk*
- *Foreign Market risk*
- *Fund-on-Fund risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Illiquid Assets Valuation risk*

## **Who should invest in this Fund?**

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of Canadian companies to their portfolio. To invest in this Fund, investors should be able to accept a medium degree of

risk. This Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

## Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

## Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$23.19	\$73.11	\$128.15	\$291.70
Series D	\$14.57	\$45.92	\$80.49	\$183.21
Series F	\$11.40	\$35.94	\$62.99	\$143.39

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

# Sionna Opportunities Fund

## Fund details

FUND TYPE	Canadian focused equity fund
INCEPTION DATE	Series A, Series F and Series I units – May 13, 2014
SECURITIES OFFERED	Series A, Series F and Series I units of mutual fund trust
ELIGIBLE FOR REGISTERED PLANS	Yes
PORTFOLIO SUB-ADVISOR	Sionna Investment Managers Inc. (“Sionna”)

## What does the Fund invest in?

### *Investment objective*

The fundamental investment objective of Sionna Opportunities Fund is to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian issuers. The Fund may also invest in foreign equity securities.

The Fund’s fundamental investment objective cannot be changed unless approval from a majority of unitholders is received from those who vote at a special meeting called for that purpose.

### *Investment strategies*

Sionna applies a relative Graham & Dodd value approach to stock selection. Generally, stocks of Canadian and foreign companies that are financially strong and have a measurable worth will be bought when, in Sionna’s view, the stock is selling at a price below its estimated worth or its intrinsic value. Sionna believes that the market will eventually recognize the value of such a company and its stock price will rise towards its intrinsic value. Stocks are typically sold when they become fully valued. To achieve the Fund’s investment objective, Sionna invests primarily in the equity securities of Canadian issuers across the full market capitalization spectrum but will tend to focus more on medium to larger companies.

The Fund may invest up to approximately 49% of the Fund’s total assets in foreign securities across the full market capitalization spectrum but will tend to focus more on medium to larger companies.

The Fund may invest in securities of other mutual funds (each a “bottom fund”) including funds managed by Bridgehouse in order to achieve its investment objectives and strategies. The Fund may change its investment in any bottom fund without advance notice to unitholders. The Fund will not invest in or hold more than 10% of the Fund’s total net assets in securities of other mutual funds.

When selecting a bottom fund in which to invest, the portfolio advisor considers the investment objective and investment strategies of the bottom fund to ensure that it is suitable for a portion of the Fund. The criteria used for selecting mutual fund securities are the same as the criteria for selecting individual securities as described elsewhere in the Fund’s investment objectives and strategies. The portfolio advisor also considers the cost effectiveness of investing in a bottom fund when compared to the other options available such as holding individual securities.

## Sionna Opportunities Fund

Any notice that is required to be delivered to securityholders of a bottom fund managed by Bridgehouse which has outstanding securities that are owned by the Fund will be provided to unitholders of the Fund. Likewise, if a meeting of securityholders of such a bottom fund is called, the notice and disclosure material prepared in connection with such meeting will be provided to the Fund's unitholders and they will be entitled to direct a representative of the Fund to vote the Fund's holding in the bottom fund in accordance with their direction.

The Fund may use options, forward contracts, swaps and other permitted derivatives for hedging purposes, or in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objective and enhancing the Fund's returns. When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities regulations. The Fund may only use derivatives to the extent and within the limits permitted by Canadian securities regulatory authorities. For a description of derivatives and the associated risks see the discussion under *Derivative risk* on page 6.

The Fund may use repurchase and reverse repurchase transactions and may enter into securities lending agreements as permitted by Canadian securities regulatory authorities. These transactions will be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and enhance the Fund's return. For a description of repurchase, reverse repurchase and securities lending agreements and the risks associated with these transactions, please see the discussion under *Repurchase, Reverse Repurchase and Securities Lending risk* on page 9.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

Sionna may actively trade the Fund's investments. This can increase trading costs, which lower the Fund's returns. It also increases the possibility that you will receive distributions if you hold the Fund in a non-registered account.

### What are the risks of investing in the Fund?

This Fund is subject to the following risks, each of which is described in detail under *Specific risks* starting on page 5.

- *Concentration risk*
- *Currency risk*
- *Cyber Security risk*
- *Derivative risk*
- *Foreign market risk*
- *Fund-on-Fund risk*
- *Income Trust Securities risk*
- *Large Transaction risk*
- *Liquidity risk*
- *Market risk*
- *Portfolio Management risk*
- *Repurchase and Reverse Repurchase and Securities Lending risk*
- *Series risk*
- *Small and Mid-Cap Issuer risk*
- *Illiquid Assets Valuation risk*

### Who should invest in this Fund?

This Fund is suitable for investors who are long-term investors and who wish to add the appreciation potential of Canadian and foreign companies to their portfolio. To invest in this Fund, investors should be able to accept a medium

## Sionna Opportunities Fund

degree of risk. The Fund is not suitable as a short term investment or for investors who cannot tolerate a medium degree of volatility.

This risk classification has been determined in accordance with the CSA's standardized risk classification methodology. For information about the general risks of investing in mutual funds, see *What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?* on page 4 and for details on the Investment Risk Classification Methodology, please refer to page 40.

### Distribution policy

The Fund distributes any net income and net capital gains annually in December of each year and may pay distributions at other times during the year, including distributions of capital gains to investors who redeem units. Distributions on units of the Fund, other than those allocated on redemption to investors who redeem units, are always reinvested in additional units of the Fund.

You pay no sales charge on receipt of the distributions. When you redeem your units, a deferred sales charge may apply on Series A units purchased under the Deferred Sales Charge Option or the Low Load Option. For the purposes of determining deferred sales charges, units, including reinvested units, are redeemed in the order they are purchased/acquired. Although there are no deferred sales charges payable in respect of reinvested units, an investor who wishes to subsequently convert reinvested units into cash may be subject to deferred sales charges on redeemed units purchased/acquired prior to receiving the reinvested units as the order of redemption would generally result in reinvested units being redeemed last. See *Fees and Expenses* on page 21 and *Redemption Fees* on page 16 for details.

### Fund expenses indirectly borne by investors

This disclosure is intended to help you compare the cost of investing in this Fund with the cost of investing in other mutual funds. It shows the amount of fees and expenses paid by the Fund that are indirectly borne by an investor assuming that: (i) you invest \$1,000 in units of the Fund for the time periods indicated; (ii) your investment has an annual 5% return; (iii) the 5% annual return is reinvested in additional units of the Fund; and (iv) the Fund's MER during the 10-year period remains the same as that incurred in its last financial year.

Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

Series of Units*	1-Year	3-Year	5-Year	10-Year
Series A	\$26.34	\$83.03	\$145.53	\$331.27
Series F	\$14.82	\$46.72	\$81.89	\$186.41

**\*Series I units have been excluded because they had an MER of 0.00% in the Fund's last completed financial year.**

You will find more information about the costs of investing in the Fund that are not included in the MER under *Fees and expenses payable directly by you* on page 30.

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## Bridgehouse Funds

Brandes Canadian Equity Fund	Morningstar Balanced Portfolio
Brandes Emerging Markets Value Fund	Morningstar Conservative Portfolio
Brandes Global Small Cap Equity Fund	Morningstar Growth Portfolio
Brandes International Equity Fund	Morningstar Moderate Portfolio
Morningstar Strategic Canadian Equity Fund	Sionna Strategic Income Fund (formerly, Sionna Canadian Balanced Fund)
Sionna Canadian Equity Fund	Sionna Opportunities Fund
Brandes Global Equity Fund	Brandes Corporate Focus Bond Fund
Brandes Global Opportunities Fund	Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund	Lazard Global Compounders Fund (formerly, Greystone Global Equity Fund)
Bridgehouse Canadian Bond Fund (formerly, Greystone Canadian Bond Fund)	Lazard Global Equity Income Fund
Lazard Emerging Markets Multi-Asset Fund	Lazard Global Managed Volatility Fund
Lazard Global Balanced Income Fund	Brandes Canadian Money Market Fund
Morningstar Aggressive Portfolio	

Brandes Investment Partners & Co., operating as  
Bridgehouse Asset Managers

33 Yonge Street, Suite 300  
Toronto, Ontario  
M5E 1G4

Telephone: 1.888.861.9998  
inquiries@bridgehousecanada.com  
www.bridgehousecanada.com

Additional information about the Funds is available in the Funds' Annual Information Form, Fund Facts document, 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 the Funds' Annual Information Form, Fund Facts document, financial statements, and management reports of fund performance at your request, and at no cost, by calling toll-free 1.888.861.9998, or from your Dealer or by e-mail at [inquiries@bridgehousecanada.com](mailto:inquiries@bridgehousecanada.com).

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Bridgehouse Internet site at [www.bridgehousecanada.com](http://www.bridgehousecanada.com) or at [www.sedar.com](http://www.sedar.com).

TOR01: 7939929: v14