

**ATB FUNDS**

**SIMPLIFIED PROSPECTUS**

**August 20, 2019**

Offering Series A, F1 and O units of the following mutual funds:

**Compass Portfolios:**

Compass Conservative Portfolio

Compass Conservative Balanced Portfolio

Compass Balanced Portfolio

Compass Balanced Growth Portfolio

Compass Growth Portfolio

Compass Maximum Growth Portfolio

**ATBIS Pools:**

ATBIS Fixed Income Pool

ATBIS Canadian Equity Pool

ATBIS U.S. Equity Pool

ATBIS International Equity Pool

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered under this document are not registered with the United States Securities and Exchange Commission, and are sold in the United States only in reliance on exemptions from registration.

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## INTRODUCTION

This simplified prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor.

In this simplified prospectus, “you” and “your” refer to you, the investor; “we”, “Manager”, “ATBIM”, “us” and “our” refer to ATB Investment Management Inc.; “Portfolio” refers to one or more of the Compass Portfolio mutual funds offered under, and listed on the front cover of, this simplified prospectus; and “Pool” refers to one or more of the ATBIS Pool mutual funds offered under, and listed on the front cover of, this simplified prospectus. The terms “Fund” and “Funds” refer to any one or more of the Portfolios and the Pools. Each Fund is a mutual fund trust.

This simplified prospectus is divided into two parts. The first part, pages 2 through 22, contains general information applicable to all of the Funds. The second part, pages 23 through 62, contains specific information about each Fund described in this document.

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

- the annual information form;
- the most recently filed fund facts;
- the most recently filed annual financial statements, once available;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance, once available; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this simplified prospectus, which means that they are legally part of this document, just as if they were printed as part of it.

You can get a copy of these documents at your request and at no cost, by calling a customer service representative toll-free at 1-888-ATB-FUND, by e-mailing us at [atbimservice@atb.com](mailto:atbimservice@atb.com) or by contacting your dealer.

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

## **GENERAL INFORMATION ABOUT MUTUAL FUNDS AND THE MUTUAL FUNDS DESCRIBED IN THIS SIMPLIFIED PROSPECTUS**

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

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

A mutual fund is a pool of money that is professionally managed on behalf of a group of investors with similar investment objectives. Investors in the mutual fund share the fund's income, expenses, gains and losses that the fund makes on its investments, in proportion to the number of units they own. People who invest money become unitholders of the mutual fund. A mutual fund trust makes distributions of its taxable income, including net taxable capital gains, to its unitholders. Unitholders may redeem their units of a mutual fund.

Unlike conventional mutual funds that invest in individual stocks, bonds and money market securities or a combination of all three, each Fund is a mutual fund that invests in fixed income and/or equity securities either directly or indirectly by investing in other mutual funds, pooled funds (i.e., mutual funds not offered for sale under a simplified prospectus), exchange traded funds (i.e., investment funds traded on a stock exchange) and other pooled investment vehicles (i.e., investments that involve the pooling of money contributed by a group of investors that invest in such securities), referred to as "underlying funds". The Funds are designed to simplify the investment process through a professionally designed and selected mix of underlying funds and investments.

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

There are many potential rewards to investing in mutual funds, and there are also risks that must be recognized.

Mutual funds own different types of investments, depending upon their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, market, and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

**The full amount of your investment in any Fund is not guaranteed in whole or in part by ATB Financial (Alberta Treasury Branches), ATB Securities Inc., ATB Investment Management Inc. or any other government agency, and is subject to market fluctuations. Unlike bank accounts or GIC's, mutual fund units are not covered by the Canada Deposit Insurance Corporation, the Government of Alberta or any other government deposit insurer.**

In exceptional circumstances, a Fund may suspend redemptions. Please see "*Processing Your Redemption Request*" for additional information.

Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals. The risks associated with investing in a mutual fund include the risks associated with the securities in which the mutual fund invests. When you make your investment decision, we recommend that you consider the different types of investments made by each Fund, their relative return over time, and their volatility.

The following risks can adversely affect the value of your investment in a mutual fund.

### *Company Risk*

Shares of a company may decline on unfavourable news about that company. If the Fund in which you are invested, or an underlying fund, is holding these shares, the value of your investment will be adversely affected.

### *Concentration Risk*

The market value of a single issuer's securities can be more volatile than the market as a whole. As a result, if a single issuer's securities represent a significant portion of the market value of a Fund's assets, changes in the market value of that issuer's securities may cause greater fluctuations in the Fund's unit value than would normally be the case. Generally, mutual funds are not permitted to invest more than 10% of their assets in any one issuer. This restriction does not apply to investments in debt securities issued or guaranteed by the Canadian or U.S. government or the government of a Canadian province or territory, securities issued by a clearing corporation, securities issued by mutual funds that are subject to the requirements of National Instrument 81-102 *Investment Funds* ("NI 81-102") and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, or index participation units issued by a mutual fund.

### *Credit Risk*

Companies and governments may suffer adverse changes in financial condition which may lower the credit rating of the securities they issue and increase the volatility of the securities' prices. A drop in the quality rating of a security can affect its liquidity and make it more difficult to sell.

### *Currency Risk*

Investments in a Fund, or an underlying fund, are valued in Canadian dollars. However, underlying investments held by a Fund or underlying fund may be purchased with foreign currency. A change in the exchange rate between the two currencies can affect the Canadian dollar value of those investments.

### *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 the Funds to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Funds to incur reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Funds' 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 the Funds' third party service providers (e.g., sub-advisors, custodian, registrar and securities lending agent, as applicable) or issuers in which the Funds invest can also subject the Funds to many of the same risks associated with direct cyber security breaches. As with operational risk in general, the Manager has 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 Manager does not directly control the cyber security systems of issuers in which the Funds invest or third party service providers.

### *Derivative Risk*

The Funds may use derivatives to limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging.

Any use of derivatives has risks, including:

- the hedging strategy may not be effective
- there is no guarantee a market for the derivative contract will exist when a Fund wants to buy or sell
- there is no guarantee that the Fund will be able to find an acceptable counterparty willing to enter into a derivative contract
- the counterparty to the derivative contract may not be able to meet its obligations on time or at all, which may result in a loss to the Fund
- a large percentage of the assets of a Fund may be placed on deposit with one or more counterparties, which exposes the Fund to the credit risk of those counterparties
- securities exchanges may set daily trading limits or halt trading, which may prevent a Fund from selling a particular derivative contract
- the price of a derivative may not accurately reflect the value of the underlying asset

Some common types of derivatives that a Fund may use include:

- **Futures contracts:** A futures contract is an exchange-traded contract involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.
- **Forward contracts:** A forward contract is a private contract involving the obligation of the seller to deliver, and the buyer to receive, certain assets (or a money payment based on the change in value of certain assets or an index) at a specified time.
- **Options:** Options are exchange-traded or private contracts involving the right of a holder to sell (put) or buy (call) certain assets (or a money payment based on the change in value of certain assets or an index) from another party at a specified price within a specified time period.
- **Swaps:** A swap is a private contract between two parties used to exchange periodic payments in the future based on a formula to which the parties have agreed.

### *Foreign Investment Risk*

The Funds, or underlying funds held by the Funds, may hold foreign investments, which may be affected by world economic factors. There is often less information available about foreign companies and these companies may abide by less stringent accounting, auditing and reporting standards than Canadian companies. It can be more difficult to trade investments on foreign markets. Political, social or diplomatic



instability may have an effect on the value of the investment. Consequently, mutual funds that invest primarily in foreign investments may experience larger and more frequent price changes in the short term.

#### *Fund on Fund Risk*

Each Portfolio uses and each Pool may use a “fund on fund” investment strategy where all or a portion of its assets are invested in other mutual funds, pooled funds, exchange traded funds and other pooled investment vehicles. Unit values and investment returns of each Fund that invests in an underlying fund will fluctuate, reflecting changes in the value of any underlying funds. If an underlying fund suspends redemptions, a Fund that invests in that underlying fund may be unable to value part of its investment portfolio and may be unable to process redemption orders.

#### *Income Trust Risk*

Some of the Portfolios or underlying funds invest in income trusts, real estate investment trusts, royalty trusts or other investment trusts which are organized in the form of trusts rather than corporations. A Portfolio or underlying fund that owns units of a trust could be held liable for claims against the trust. Many trusts try to limit this risk by including provisions in their agreements that state that their obligations and liabilities will not be binding on unitholders; however, it is possible that unitholders could still be exposed to certain claims. In addition, some trusts are organized under the laws of jurisdictions that have passed legislation to limit the personal liability of unitholders for obligations and liabilities of the trusts. It is possible that reliance on this type of legislation could be challenged on jurisdictional or other grounds.

Changes to the way certain income trusts are taxed have been enacted. Generally, the changes include a tax on certain publicly-traded income trusts with respect to certain earnings, and began to apply in 2011 (subject to earlier application in certain circumstances). The changes have reduced the tax effectiveness of affected income trusts.

#### *Interest Rate Risk*

Interest rate changes may affect the value of investments, including investments that hold fixed income products, such as bonds. If interest rates increase, the value of bonds purchased will fall.

#### *Large Investor Risk*

Units of the Funds or the underlying funds may be purchased and sold by large investors, such as institutions, other mutual funds or, in the case of the underlying funds, the Funds. If a large investor redeems a portion or all of its investment from a Fund or an underlying fund, that Fund or underlying fund may have to realize capital gains and other transaction costs in the process of making the redemption and any income and realized capital gains recognized within the Fund or underlying fund may have to be distributed at the next distribution date to securityholders of record of the Fund or underlying fund, as applicable, at that time. Each of the underlying funds is subject to the risk that a Fund that invests in the underlying fund may have to request the redemption of a significant number of securities of the underlying fund within a short period of time to meet redemptions of the Fund. In addition, assets of the Fund or underlying fund may have to be sold at unfavourable prices to accommodate a large redemption request, thus reducing the potential return of the Fund or underlying fund. Conversely, if a large investor were to increase its investment in a Fund or if a Fund were to increase its investment in an underlying fund, that Fund or underlying fund may have to hold a relatively large position in cash for a period of time until the portfolio manager of the Fund or underlying fund finds suitable investments, which could also negatively impact the performance of the Fund or underlying fund. Since the performance of the Fund or underlying fund may be negatively impacted, so may the investment return of any investors in the Fund or underlying fund.

### *Liquidity Risk*

Illiquid assets, such as securities with a limited trading market and “restricted securities”, may be difficult to value accurately or to sell, and may trade at a price significantly lower than their value. Restricted securities have contractual or legal restrictions on their resale and include “private placement” securities that a Fund or an underlying fund may buy directly from the issuer. The value of a Fund or an underlying fund that buys these investments may rise and fall substantially. Absent regulatory relief, a Fund is restricted from purchasing additional illiquid assets if, immediately after the purchase, more than 10% of its assets based on market value at time of purchase would consist of illiquid assets.

### *Market Risk*

The value of an investment made by a Fund or underlying fund may decline. Sometimes this is due to issues specific to the investment. Other times it is due to issues affecting the securities market as a whole. In extreme circumstances these losses can be significant.

### *Mortgage Backed Securities Risk*

Mortgage backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market’s perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers or in the assets backing the pools, then the value of the mortgage backed securities may be affected. In addition, the underlying loans may not be ultimately repaid in full, in some cases leading to holders of mortgage backed securities not receiving full payment.

### *Pooled Fund Risk*

Each of the Funds may invest in pooled funds that are restricted to institutional investors, such as pension funds or other asset managers. Pooled funds are mutual funds that are not offered for sale under a simplified prospectus. Mutual funds offered for sale under a simplified prospectus are subject to certain disclosure and other regulatory requirements contained in securities legislation, including NI 81-102. These requirements are designed to ensure, among other things, that mutual funds are properly administered, and that the investments of mutual funds are diversified and relatively liquid. Pooled funds are not subject to the same regulatory requirements that are applicable to mutual funds offered for sale under a simplified prospectus and therefore investments in pooled funds may be subject to certain risks that are not associated with investments in other mutual funds. For example, pooled funds are not subject to the same requirements to make timely disclosure of significant changes in their business and affairs and as a result, investors in a pooled fund may not be informed on a timely basis, or at all, regarding important changes that affect their investment in the pooled fund.

### *Private Company Risk*

There are risks associated with investing in private company securities. For example, there is typically less available information concerning private companies than for public companies. The valuation of private company securities is also more subjective and private company securities are very illiquid as there are no established markets for such securities. As a result, in order to sell this type of holding, a Fund or an underlying fund holding private company securities may need to discount the securities from recent prices or dispose of the securities over a long period of time.

### *Regulatory Risk*

Some industries are heavily regulated. Certain Funds or underlying funds may invest in industries where government funding or regulatory issues may have an effect on the value of these investments.

### *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk*

The Funds may enter into securities lending, repurchase and reverse repurchase transactions to earn additional income. A securities lending transaction is where the Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of cash and/or securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees. A repurchase transaction is where a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns a return for participating in the repurchase transaction. A reverse repurchase transaction is where a Fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the securities and the resale price provides the Fund with a return.

There are risks associated with securities lending, repurchase and reverse repurchase transactions. Over time, the value of the securities loaned under a securities lending transaction or sold under a repurchase transaction might exceed the value of the cash or security collateral held by the Fund. If the third party defaults on its obligation to repay or resell the securities to the Fund, the cash or security collateral may be insufficient to enable the Fund to purchase replacement securities, and the Fund may suffer a loss for the difference. Likewise, over time, the value of the securities purchased by a Fund under a reverse repurchase transaction may decline below the amount of cash paid by the Fund to the third party. If the third party defaults on its obligation to repurchase the securities from the Fund, the Fund may need to sell the securities for a lower price and suffer a loss for the difference.

The Manager will manage any risks associated with securities lending, repurchase and reverse repurchase transactions by requiring the securities lending agent to:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that each Fund holds collateral equal to at least 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions);
- ensure that the collateral to be delivered to the Fund is one or more of cash, qualified securities or securities immediately convertible into, or exchangeable for, securities of the same issuer, class or type, and same term, if applicable, as the securities being loaned by the Fund, and in at least the same number as the securities loaned by the Fund; and
- ensure that each Fund does not loan or sell more than 50% of the total market value of its assets (not including the collateral held by the Fund) through securities lending and repurchase transactions.

### *Series Risk*

The Funds and certain underlying funds are available in more than one series of securities. Each series has its own fees and expenses, which are tracked separately. If, for any reason, a Fund or an underlying fund cannot pay the expenses of one series using its proportionate share of the assets of the Fund or underlying fund, then the Fund or underlying fund will be required to pay those expenses out of the other series' proportionate share of the assets. This could lower the investment return of the other series.

### *Small Capitalization Risk*

Securities of smaller companies are usually traded less frequently and in smaller volumes than those of large companies. Funds or underlying funds that invest a significant portion of their assets in small companies are subject to small capitalization risk and may find it more difficult to buy and sell securities and tend to be more volatile than Funds or underlying funds that focus on larger capitalization companies.

### *Tax Risk*

If a Fund experiences a "loss restriction event" for tax purposes, the Fund will be deemed to have a taxation year-end and you may automatically receive an unscheduled distribution of income and capital gains from the Fund. You must include these distributions into the calculation of your income for tax purposes. The Fund will be subject to loss restriction rules that may cause future income and capital gains distributions to be more than they otherwise would have been. A Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, which generally occurs when a person or partnership (counted together with affiliates) becomes the holder of units worth more than 50% of the Fund, unless the Fund satisfies certain investment diversification and other conditions. A unitholder can become a majority-interest beneficiary when the unitholder or an affiliate acquires units. A unitholder can also become a majority-interest beneficiary because another unitholder redeems units. A Fund is not subject to the application of the loss restriction event rules if the Fund meets certain investment requirements and qualifies as an "investment fund" under the rules.

## **Organization and Management of the Funds**

This section tells you about the companies that are involved in managing or providing services to the Funds. ATB Wealth is a trademark representing the wealth and investment subsidiaries of ATB Financial. ATB Securities Inc. ("ATBS") and ATBIM are licensed users of the ATB Wealth trademark. ATBS and ATBIM are wholly owned subsidiaries of ATB Financial.

<b>ROLE</b>	<b>SERVICE PROVIDED</b>
<b>Manager</b> ATB Investment Management Inc. 21st Floor, 10020 – 100th Street NW Edmonton, AB, T5J 0N3 www.atb.com www.compassportfolios.com	As Manager, ATBIM is responsible for the day to day operations of the Funds, including administration services, marketing and promoting sales of each Fund's securities, and providing or arranging for the provision of other services, including portfolio management services.
<b>Trustee</b> ATB Investment Management Inc. Edmonton, Alberta www.atb.com www.compassportfolios.com	The Funds are organized as trusts. When you invest in a Fund, the trustee is the legal owner of the investments in the Fund on your behalf.

ROLE	SERVICE PROVIDED
<p><b>Portfolio Advisor</b></p> <p>ATB Investment Management Inc. Edmonton, Alberta www.atb.com www.compassportfolios.com</p>	<p>ATBIM is responsible for managing the investments of the Funds. This includes asset allocation and selection of investments and any sub-advisors for each Fund. From time to time, we may appoint another entity to manage the investments of a Fund. This entity is referred to as a sub-advisor. We are responsible for the investment advice that the sub-advisors provide. It may be difficult to enforce legal rights against a sub-advisor if it is a foreign entity and its assets are located outside of Canada.</p>
<p><b>Principal Distributor</b></p> <p>ATB Securities Inc. 21st Floor, 10020 – 100th Street NW Edmonton, AB, T5J 0N3</p>	<p>ATBS is the principal distributor of the units of the Funds. ATBS is an affiliate of the Manager.</p>
<p><b>Custodian</b></p> <p>State Street Trust Company Canada Toronto, Ontario</p>	<p>The custodian has physical custody of the investments of the Funds. It may retain sub-custodians to hold portfolio investments in Canada and other countries. The custodian is not an affiliate of the Manager.</p>
<p><b>Registrar and Transfer Agent</b></p> <p>International Financial Data Services Toronto, Ontario</p>	<p>The registrar keeps records of holdings in the Funds, processes orders and redemptions and provides tax reporting information. The registrar is not an affiliate of the Manager.</p>
<p><b>Auditor</b></p> <p>PricewaterhouseCoopers LLP, Chartered Professional Accountants Toronto, Ontario</p>	<p>The auditor is independent of the Manager and the Funds and audits the annual financial statements of the Funds. The auditor is not an affiliate of the Manager.</p>
<p><b>Independent Review Committee</b></p> <p>c/o ATBIM 21st Floor, 10020 – 100<sup>th</sup> Street NW Edmonton, AB, T5J 0N3</p>	<p>In accordance with National Instrument 81-107 <i>Independent Review Committee for Investment Funds</i>, we have established an independent review committee for the Funds (the “<b>IRC</b>”). We refer all matters representing a conflict or potential conflict of interest between the Manager and the Funds to the IRC for its review or approval. In certain circumstances, in place of you approving a fund merger involving the Funds, the IRC has been permitted under securities legislation to approve a fund merger. The IRC will also approve any change of the auditor of the Funds. In these circumstances, although investor approval will not be obtained, you will receive written notice of any proposed fund merger or change of auditor at least 60 days prior to the change. The IRC is comprised of four members. Each member of the IRC is independent of the Manager, the Funds and any party related to the Manager. The IRC will prepare, at least annually, a report of its activities for you, which will be available on our website at www.atb.com or at your request and at no cost, by contacting ATBIM via e-mail at atbimservice@atb.com or via telephone toll free at 1-888-ATB-FUND.</p> <p>Additional information about the IRC, including the names of the members, is available in the annual information form of the Funds.</p>

<b>ROLE</b>	<b>SERVICE PROVIDED</b>
<b>Securities Lending Agent</b>	The Funds do not currently engage in securities lending transactions. Prior to a Fund engaging in securities lending transactions, the Manager will appoint a securities lending agent for the Funds, which will not be an affiliate of the Manager. The Manager intends to retain the services of State Street Trust Company Canada to act as securities lending agent of the Funds, as necessary. A Fund may engage in securities lending transactions by giving at least 60 days prior written notice to investors.

### **Fund on Fund Arrangements**

The Funds may invest in other funds, including Funds managed by us. Where the Manager is the manager of both the Funds and underlying funds, it will not vote the securities of the underlying funds. Instead, where applicable, the Manager may arrange for such securities to be voted by the beneficial unitholders of the applicable Fund.

### **Purchases, Switches and Redemptions**

Each Fund offers Series A, Series F1 and Series O units.

#### *Series A Units*

Series A units of the Funds are available to all investors, subject to the minimum investment requirements outlined below.

#### *Series F1 Units*

Series F1 units are designed for investors with fee-based accounts with ATBS and other dealers and are available at the discretion of the Manager, subject to the minimum investment requirements outlined below, and provided any dealer other than ATBS has entered into an agreement with the Manager to offer Series F1 units to investors in fee based accounts.

If you cease to be eligible to hold Series F1 units, we may redesignate your Series F1 securities as Series A securities of the same Fund.

#### *Series O Units*

Series O units are designed for investors who participate in a separately managed account program offered by the Manager and are also available to employees of the Manager and the Manager's affiliates. This series is available at the discretion of the Manager, subject to the minimum investment requirements outlined below.

If you cease to be eligible to hold Series O units, we may redesignate your Series O securities as Series A securities of the same Fund.

### ***Net Asset Value***

The value of each Fund is its net asset value (“NAV”). Generally, the NAV is calculated by adding together the assets and subtracting the liabilities of the Fund. Each Fund offers three series of units: Series A, Series F1 and Series O units. We calculate a separate NAV for each series of units of each Fund. The NAV per

series is calculated by adding together the series' share of the assets and subtracting the liabilities allocated to that series of units.

$$\text{NAV of a series} = \text{total of the series' share of the assets} - \text{total of the series' share of the liabilities allocated to that series}$$

Once the NAV of a series of units of a Fund is determined, the NAV for each unit of that series can be calculated by dividing the series' NAV by the total number of units in that series of the Fund.

$$\text{NAV per unit} = \text{NAV of the series} \div \text{total number of units in that series}$$

The NAV per unit is calculated at the close of business on each day that the Toronto Stock Exchange is open for trading. The issue and redemption price of units is based on the NAV per unit of the relevant series of the Fund next determined after we receive the purchase or redemption request.

### ***How to Purchase, Switch or Redeem Units***

Units of each Fund are offered for sale in each of Alberta, British Columbia, Saskatchewan, Manitoba, Newfoundland and Labrador, New Brunswick, Nova Scotia, Prince Edward Island, Yukon, Northwest Territories and Nunavut. You may not purchase units of a Fund if you reside outside of the jurisdictions in which the Fund is offered.

Units of the Funds are offered on a continuous basis and can be bought, switched or redeemed through your ATBS representative, or through other dealers. To buy, switch, or redeem units, you will usually have to give us written instructions to do so and include full payment, if required, in Canadian dollars for your units.

### ***Purchases***

Dealers may make Series A units available on a "front load" basis, requiring payment of a sales commission by the investor to the dealer of up to 4% of the purchase price of the units, as negotiated between the investor and dealer. No sales commissions are charged with respect to the purchase of Series F1 and Series O units. See "*Fees and Expenses*" and "*Dealer Compensation*" for additional information.

Minimum investments for each series of the Funds are shown in the table below:

<b>PORTFOLIOS</b>			
<b>Series</b>	<b>Initial Investment</b>	<b>Additional Investment</b>	<b>Automatic Regular Investment</b>
A – Front Load	\$100	\$25	\$25
F1 – Fee Based	\$1,000	\$100	\$25
O – Fee Based	\$100,000	\$1,000	\$25
<b>POOLS</b>			
<b>Series</b>	<b>Initial Investment</b>	<b>Additional Investment</b>	<b>Automatic Regular Investment</b>
A – Front Load	\$1,000	\$100	\$100
F1 – Fee Based	\$1,000	\$100	\$100
O – Fee Based	\$100,000	\$1,000	\$100

We reserve the right to change or waive the minimum investment requirements at any time.

In order to avoid the excessive administrative cost of maintaining small accounts, we have the right to redeem your units if the value of your investment is less than the applicable required minimum initial investment amount described above. You will be notified that the value of your investment in a Fund is less than the applicable required minimum investment, and will be given 30 days to make an additional investment to increase your investment in the Funds to that minimum amount before the redemption is processed.

### ***Processing Your Purchase Order***

- Your dealer may deliver a written order to purchase units of the Funds to us with payment in full, or may deliver the request electronically via Fundserv, by phone or by fax, with payment to follow.
- If payment is not received within two business days of processing or your cheque is returned by your financial institution or bank for any reason, your units will be redeemed on the following business day. If the units of a Fund are sold for more than the original price, the Fund keeps the difference. If the units of a Fund are sold for less than the original price, we will pay the difference to the Fund and we may collect the difference plus any costs and interest from your dealer, who then may collect it from you.
- Any order to buy units may be refused within one business day of receiving the order. All money will be returned without interest or deductions.
- Transactions will not be processed for a past date, a future date (except as part of an automatic regular investment or automatic regular withdrawal arrangement), a pre-determined price or for units that are not paid for in full.
- If you purchase units during a period when the NAV is suspended, you may either withdraw your subscription prior to the end of the suspension period or receive units based on the NAV per unit first calculated following the end of the suspension period.

### ***Switches***

You may wish to switch all or some of your units of a Fund to units of another Fund (provided that you are eligible to make the switch). You may also wish to change all or some of your units of one series of a Fund to units of a different series of the same Fund (provided that you are eligible to purchase the new series). Changing units between series of the same Fund is referred to as a “redesignation”.

#### ***Switching between Funds***

You can switch your units of one series of a Fund into units of the same series or a different series of another Fund, provided you are qualified for the series you are switching into. You may request a switch by presenting for redemption the appropriate number of units in accordance with the procedures described under “*Redemptions*” and directing ATBIM to apply the proceeds representing the aggregate redemption price to the purchase of units of the other Fund. The tax consequences of such a redemption are discussed under “*Income Tax Considerations for Investors*”.

- A switch from one Fund to another Fund is a redemption and a purchase, which will result in a capital gain or loss.



- A switch of units from one Fund to another Fund must meet minimum investment requirements and any other eligibility requirements.
- There are no switch fees or sales charges payable when switching from units of one Fund to the same or another series of another Fund (see “*Purchases, Switches and Redemptions*” above for information about each series of units).

#### *Redesignation between series*

You may change your units of one series of a Fund into units of a different series of the same Fund if you are eligible to purchase the new series, including meeting any minimum investment requirements and any other eligibility requirements of the new series. A change between the series of units of a Fund is effected by a redesignation of units. No switch fees or sales charges apply to a change between series of a Fund. Changing units of one series to units of another series of the same Fund is not a disposition for income tax purposes. See “*Purchases, Switches and Redemptions*” above for information about each series of units.

#### *Redemptions*

You may redeem your units of a Fund through your dealer or directly through ATBIM.

If you choose to redeem your units of a Fund directly through us:

- We must receive your written redemption request that includes your signature guaranteed by a financial institution, bank or trust company, dealer or other institution approved by us.
- We must receive appropriate documentation, including any outstanding unit certificates representing the units to be redeemed.

If you choose to redeem your units of a Fund through your dealer:

- Your dealer may deliver an order to redeem units of the Fund through written request, electronically via Fundserv, or by phone or by fax. Electronic, phone or fax requests must be followed by original written documentation.

#### *Processing Your Redemption Request*

- When you sell units of a Fund, you may sell some or all of your units or you can sell a dollar amount of units.
- When you sell units of a Fund, we send you a cheque or deposit the money into a pre-specified account with a financial institution or bank within two business days of the day the units were sold.

As permitted by the Canadian Securities Administrators, we may suspend your right to redeem units of a Fund for the whole or any part of a period during which normal trading is suspended on any stock exchange on which securities held in the Fund are listed and traded, or on which specified derivatives held in the Fund are traded, if those securities or specified derivatives represent more than 50% by value or underlying market exposure, of the total assets of the Fund, and if those securities or specified derivatives are not traded on another market or exchange that represents a reasonably practical alternative. We may also suspend your right to redeem units of a Fund if we have the permission of the appropriate securities regulatory authorities. During any period of suspension there will be no NAV calculation and no units will be issued or redeemed

by the Funds. The calculation of the NAV will resume when trading resumes on the applicable exchange or with the permission of the securities regulatory authorities.

If your redemption request is not withdrawn before the end of the suspension, your request will be processed at the applicable series NAV per unit determined after the suspension ends.

### ***Short-Term Trading***

We discourage investors from short-term trading. Short-term trading can harm a Fund's performance. It can also adversely affect the value of other investors' holdings in a Fund because such trading can increase the Fund's brokerage and other administrative costs of a Fund. Short-term trading interferes with the long-term investment decisions of the Manager or sub-advisor, as applicable. These problems are increased when the short-term trading involves large investment amounts.

We have adopted certain restrictions to deter short-term trading. The Funds reserve the right to charge a short-term trading fee of up to 2% of the NAV of the units being traded, in addition to any other fees that may be applicable, if (i) you request a switch out of any Fund to another Fund within 90 days of a previous switch request or redeem units within 90 days of the original purchase, or (ii) you appear to follow a market timing pattern that may, in the opinion of the Manager, adversely affect a Fund. Please see also "*Fees and Expenses*" below.

There are currently no arrangements, whether formal or informal, with any person or company, to permit short-term trades of units of the Funds.

### **Optional Services**

#### ***Automatic Regular Investments***

Automatic regular investments in the Funds are provided as an optional service through pre-authorized contributions ("**PAC**") from your financial institution or bank account. Contributions can be made weekly, bi-weekly, semi-monthly, monthly, on the last day of each month, bi-monthly, quarterly, or semi-annually for a pre-set amount. The minimum amount for each automatic regular investment is \$25 for each of Series A, Series F1 and Series O units of the Portfolios, and \$100 for each of Series A, Series F1 and Series O units of the Pools.

You may terminate a PAC at any time before a scheduled investment date. Additional information regarding PACs is contained in the forms that you must complete to set up a PAC.

#### ***Automatic Regular Withdrawals***

Automatic regular withdrawals from the Funds are provided as an optional service through pre-authorized redemptions of units. The redemption value is deposited to a pre-determined financial institution or bank account and can be made monthly, quarterly or annually. The minimum amount is \$25 per transaction per Portfolio and \$100 per transaction per Pool. Automatic regular withdrawals cannot be set up on a registered retirement savings plan ("**RRSP**") account. If the amount of your withdrawals exceeds the growth of your investment and any income it is earning, your investment will eventually be exhausted. No fees are payable for participating in an automatic regular withdrawals program.

### ***Automatic Reinvestment of Distributions***

Distributions from the Funds are automatically used to purchase additional units of the same Fund, unless you tell us in writing that you prefer to receive cash distributions from the Funds.

### **Fees and Expenses**

The following tables list the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. Each Fund may have to pay some of these fees and expenses, which will therefore reduce the value of your investment in the Fund.

If the basis of the calculation of a fee or expense that is charged to a Fund is changed in a way that could result in an increase in charges to the Fund or to its investors, or if a fee or expense to be charged to a Fund or directly to the Fund's investors by the Fund or by us in connection with holding securities of the Fund that could result in an increase in charges to the Fund or its investors is introduced, and, in both cases, when this fee or expense is charged by an entity that is at arm's length to the Fund, the approval of such Fund's investors will not be obtained. Instead, investors in the Fund will be sent a written notice at least 60 days before the effective date of the change. The approval of investors in a series of a Fund that is sold without a sales charge (such as Series F1 and Series O) will not be obtained with respect to the foregoing changes where the fee or expense is charged by a non-arm's length entity. Instead, investors in such series will be sent a written notice at least 60 days before the effective date of such a change.

### ***Fees and Expenses Payable by the Funds***

<b>Management Fees</b>	<p>The annual management fee is unique to each series of units of each of the Funds. Management fees are paid to the Manager in consideration for providing, or arranging for the provision of, investment decisions, management of the Funds, distributions and sales of units of the Funds, as well as covering the fees, costs and expenses related to any sub-advisors, who may be retained to make recommendations to the Manager with respect to investments of the Funds in accordance with the Funds' stated investment objectives, policies and restrictions. In some cases, the Manager may waive its right to receive a portion of the management fees.</p> <p>The Funds do not pay management fees with respect to Series O units. Rather, Series O investors pay a negotiated management fee directly to us. See "<i>Fees and Expenses Payable Directly by You</i>" below.</p> <p>Management fees are subject to HST/GST and other applicable taxes.</p> <p>See "<i>Fund Details</i>" for further information relating to management fees for the Funds you are interested in.</p>
<b>Operating Expenses</b>	<p>Each Fund pays all expenses relating to its operation and the carrying on of its business, including, but not limited to legal, audit, custodial, registrar and transfer agent, financial institution or bank and accounting fees, regulatory filing fees,</p>

	<p>prospectus, reporting, brokerage commission, transaction costs, trustee and other expenses as well as fees and expenses in connection with the IRC, as applicable.</p> <p>Each IRC member is entitled to receive compensation for the duties he or she performs as an IRC member. Currently, each member of the IRC receives an annual retainer of \$5,000 and a per meeting fee of \$500 per day or portion thereof for each meeting attended. Members are reimbursed for all reasonable expenses incurred in the performance of their duties.</p> <p>We may, in some cases and in our sole discretion, pay a portion of the Funds' operating expenses.</p> <p>Most operating expenses are subject to HST/GST and other applicable taxes.</p>
<p><b>Underlying Fund Fees and Expenses</b></p>	<p>Where a Fund invests in other mutual funds, including pooled funds, there are fees and expenses payable by those underlying funds in addition to those payable by the Fund. However, a Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of the investment that duplicate a fee payable by the underlying fund for the same service. In addition, a Fund will not invest in an underlying fund if any sales or redemption fees are payable in respect of the investment that duplicate a fee payable by unitholders of the Fund.</p> <p>No sales fees or redemption fees are payable by a Fund in relation to its purchases or redemptions of the securities of another mutual fund if the underlying fund is managed by the Manager or an affiliate or associate of the Manager.</p>

*Fees and Expenses Payable Directly by You*

<p><b>Sales Charges</b></p>	<p>Dealers may make Series A units available on a front load basis, requiring payment of a sales commission by the investor to the dealer of up to 4% of the purchase price of the Series A units, as negotiated between the investor and dealer. Dealers may waive any such sales commission and offer units on a "no load" basis.</p> <p>There are no sales charges payable when switching from one Fund to the same series of another Fund, or between any series of units of the same Fund.</p>
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<b>Switch Fees</b>	There are no switch fees if switching from one Fund to the same series of another Fund, or between any series of units of the same or another Fund.
<b>Short Term Trading Fees</b>	Up to 2% of the NAV of the units if: <ul style="list-style-type: none"> <li>• you request a switch out of any Fund to another Fund within 90 days of a previous switch request;</li> <li>• you request to redeem units within 90 days of the original purchase; or</li> <li>• you appear to follow a market timing pattern that may, in the opinion of the Manager, adversely affect a Fund.</li> </ul>
<b>Redemption Fees</b>	Nil
<b>Management Fees for Series O units</b>	Series O investors are charged a negotiated management fee, which is paid directly to us by the Series O investor. The amount of the management fee will depend on the size of the holdings of the Series O investor and/or whether the investor is an employee of the Manager or an affiliate. The maximum annual management fee payable for Series O units of each Portfolio is 0.45% for Compass Conservative Portfolio, 0.60% for Compass Conservative Balanced Portfolio, 0.70% for Compass Balanced Portfolio and Compass Balanced Growth Portfolio and 0.80% for Compass Growth Portfolio and Compass Maximum Growth Portfolio. The maximum annual management fee payable for Series O units of each Pool will not exceed the management fee charged with respect to Series A units of the same Pool.  Management fees paid by Series O investors are subject to HST/GST and other applicable taxes.
<b>Other Fees</b>	
Automatic Regular Investments	Nil
Automatic Regular Withdrawals	Nil
Automatic Reinvestment of Distributions	Nil
Bank wire costs	\$10
Dishonoured items	\$25
Account closure in 1 <sup>st</sup> Year	\$50

### ***Impact of Sales Charges***

A dealer may charge you a sales commission when you purchase Series A units of a Fund. You do not pay sales charges when you purchase Series F1 and Series O units of a Fund. However, Series F1 and Series O investors may pay a fee to their dealer.

The following table shows the maximum amount of fees you would pay when you purchase Series A units of a Fund if:

- you invest \$1,000 in a Fund;
- you held that investment for 1, 3, 5 or 10 years; and
- you redeem your units immediately before the end of that period.

	<b>Fee at time of purchase</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
No Load	Nil	Nil	Nil	Nil	Nil
Sales Charge Option	\$40	Nil	Nil	Nil	Nil
Redemption Charge Option	N/A	N/A	N/A	N/A	N/A

### **Dealer Compensation**

#### ***Sales Commissions***

Dealers may make units of the Funds available on a “front load” basis. This means that when you purchase Series A units, you may pay your dealer a fee that is negotiated with your dealer at the time of purchase. The fee, referred to as a sales commission, is up to 4% of the purchase price of the units as negotiated between the investor and dealer.

#### ***Trailing Commission***

The Manager may pay a trailing commission to your dealer when you purchase Series A units, up to the maximum annual percentages set out in the following table. The trailing commissions are paid out of the Manager’s management fees. The Manager calculates and pays trailing commissions, either monthly or quarterly, at the option of the dealer, in arrears, based on the average daily NAV of Series A units held by all of the dealer’s clients during each calendar month or quarter, as applicable.

Dealers generally pay a portion of this trailing commission to financial advisors for the services the financial advisors provide to you.

<b>Fund</b>	<b>Series A maximum annual trailing commission rates</b>
Compass Conservative Portfolio	0.75%
Compass Conservative Balanced Portfolio	0.90%
Compass Balanced Portfolio	1.00%
Compass Balanced Growth Portfolio	1.00%
Compass Growth Portfolio	1.00%
Compass Maximum Growth Portfolio	1.00%
ATBIS Fixed Income Pool	0.75%
ATBIS Canadian Equity Pool	1.00%
ATBIS U.S. Equity Pool	1.00%

Fund	Series A maximum annual trailing commission rates
ATBIS International Equity Pool	1.00%

We also pay trailing commissions to discount brokers for units you purchase through your discount brokerage account.

No trailing commission is paid on Series F1 or Series O units of any of the Funds.

### *Equity Interests*

ATB Financial has a 100% equity interest in the Manager and in ATBS, which is the principal distributor of the Funds.

### **Dealer Compensation from Management Fees**

For the financial year ended December 31, 2018, the Manager paid total cash compensation (service fees and other kinds of dealer compensation such as marketing support payments) to dealers, including the principal distributor, who distributed securities of the Funds representing approximately 47% of the total management fees received by the Manager in respect of the Funds.

### **Income Tax Considerations for Investors**

This is a general summary of the Canadian federal income tax rules applicable to a Canadian resident individual, other than a trust, who holds units of a Fund as capital property either directly or in a registered plan. It is not intended to be tax or legal advice.

This summary is based on the current provisions of the *Income Tax Act* (Canada) (“**Tax Act**”) and the regulations thereunder, and specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof. This summary assumes that each Fund will qualify as a mutual fund trust under the Tax Act at all material times.

**We do not describe the tax rules in detail or cover all the tax consequences that may apply. We recommend that you consult with your tax adviser about your individual situation.**

### *The Fund’s Earnings*

Each Fund is required to calculate its net income, including net taxable capital gains for each taxation year according to the rules in the Tax Act. Each Fund will distribute enough of its income and capital gains for each taxation year so that it does not have to pay normal income tax. There are loss restriction rules that may prevent a Fund from using losses in certain situations to offset income and/or capital gains, which may increase the amount of income and/or capital gains distributed by the Fund to unitholders.

### *Adjusted Cost Base*

The adjusted cost base (“**ACB**”) of your units is an important concept for income tax considerations. This term will be used throughout the summary. The total ACB of your units of a series of a Fund can be calculated using the following formula in most situations:

- the amount you paid for your initial investment in units of the series, including sales charges

- plus the amount you paid for additional units of the series, including sales charges
- plus the amount of any reinvested distributions
- minus any portion of a distribution that is a return of capital
- if you switched units on a taxable basis, plus the NAV of units that were switched into units of the series and minus the NAV of units that were switched out
- if you redesignated units on a tax-deferred basis, plus the ACB of units that were changed into units of the series and minus the ACB of units that were changed out
- minus the ACB of any units of the series previously redeemed

The ACB of a single unit is the average of the ACB of all identical units.

### ***Units Not Held in Registered Plans***

#### *Distributions*

If you hold units directly, you must include in your income for tax purposes the taxable portion of all distributions paid to you by the Funds. This is the case whether you receive the distributions in cash or reinvest them in additional units. The Funds will take steps so that Canadian dividends and capital gains earned by the Funds will retain their character when paid to you. The Funds will take steps so that you can claim a foreign tax credit for foreign withholding tax paid and not deducted by the Funds or an underlying fund on foreign source income distributed to you. Any portion of a distribution that is a return of capital is not taxable to you, but will reduce the ACB of the units on which it was paid. We will provide information slips containing detailed information about the distributions paid to you.

The NAV of a Fund includes income and capital gains earned by the Fund that has not yet been distributed. You are required to include the taxable portion of distributions paid to you by a Fund even if the Fund earned the income or realized the capital gain that gave rise to the distribution before you owned the units. This may be particularly significant if you purchase units late in the year.

Management fees paid directly by you to the Manager in respect of Series O units are not deductible for tax purposes.

#### *Redeeming and switching units*

If you redeem or otherwise dispose of units, you will realize a capital gain (or capital loss) equal to the difference between your proceeds of disposition, net of any costs of disposition, and the ACB of the units. A switch from a Fund to another Fund is a redemption and purchase of units.

Generally, one-half of a net capital gain must be included in determining your income.

In certain situations where a unitholder disposes of units of a Fund and would otherwise realize a capital loss, the loss will be denied. This may occur if the unitholder, the unitholder's spouse or another person affiliated with the unitholder (including a corporation controlled by the unitholder) acquired units of the same Fund within 30 days before or after the unitholder disposed of the units, which are considered to be "substituted property". In these circumstances, the unitholders capital loss may be deemed to be a



“superficial loss” and denied. The amount of the denied capital loss must be added to the ACB of the owner of the units which are substituted property.

We will provide you with details about your proceeds of disposition. However, in order to calculate your capital gain or capital loss, you will need to know the ACB of your units at the time of disposition.

### *Switching between Series*

Switching units of one series of a Fund to units of another series of the same Fund is not a disposition for tax purposes. You will not realize a capital gain or capital loss. The cost of the units received on a switch will be equal to the ACB of the units that were switched.

### *Funds with a High Turnover Rate*

The portfolio turnover rate is how often a Fund buys and sells investments. The higher the portfolio turnover rate, the higher the trading costs and the greater the likelihood the Fund will realize capital gains and capital losses that need to be distributed to you. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

### *Units Held in Registered Plans*

If units are held in your RRSP, registered retirement income fund (“**RRIF**”), tax-free savings account (“**TFSA**”), registered education savings plan (“**RESP**”) or registered disability savings plan (“**RDSP**”) (each a “**registered plan**”), generally neither you nor your registered plan will pay tax on distributions paid to the registered plan on the units or capital gains realized on the redemption or switch of those units by the registered plan. This assumes the units are a qualified investment and not a prohibited investment for your registered plan. Units of each Fund are expected to be a qualified investment for registered plans at all times. However, units of a Fund may be a prohibited investment for your RRSP, RRIF, TFSA, RESP or RDSP even though the units are a qualified investment.

Generally, units of a Fund will not be a prohibited investment for your RRSP, RRIF, TFSA, RESP or RDSP if you and non-arm’s persons do not in total, directly or indirectly own units worth more than 10% of the NAV of the Fund. If your RRSP, RRIF, TFSA, RESP or RDSP holds a prohibited investment, you become liable to a 50% potentially refundable tax on the value of the prohibited investment and a 100% tax on income and capital gains attributable to, and capital gains realized on the disposition (or deemed disposition) of, the prohibited investment.

You should consult your own tax adviser for advice regarding the implications of acquiring, holding and disposing of units of a Fund in your registered plan.

### *International Tax Information Reporting*

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada US Tax Convention entered into between Canada and the U.S. on February 5, 2014 (the “**IGA**”), and related Canadian legislation, the Funds and/or registered dealers are required to report certain information with respect to unitholders 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 Canada Revenue Agency (“**CRA**”). The CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, to meet the objectives of the Organization for Economic Cooperation 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

certain information relating to certain unitholders in the Funds (excluding registered plans such as RRSPs) who are residents in a country outside of Canada and the U.S. The CRA is expected to provide that information to the tax authorities of the relevant jurisdiction that has adopted the CRS.

### **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 fund facts, 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 units and get your money back, or to make a claim for damages, if the simplified prospectus, annual information form, fund facts 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 a lawyer.

## **SPECIFIC INFORMATION ABOUT EACH OF THE MUTUAL FUNDS DESCRIBED IN THIS SIMPLIFIED PROSPECTUS**

### **Introduction**

The following information is meant to provide you with an understanding of the specific information concerning each of the Funds provided in this section of the simplified prospectus.

### ***The Funds***

#### *What are the Portfolios?*

The Portfolios are single investments providing multiple benefits to the investor. Diversification and cost effective investment strategies are employed to deliver a superior risk-adjusted rate of return.

The Portfolios are a comprehensive series of strategic asset allocation models, each designed to meet an investor's unique profile and objectives. Strategic asset allocation is selecting a mix of asset classes within pre-determined ranges that are maintained through regular re-balancing. Regular re-balancing serves to preserve the performance characteristics of the Portfolio that serve to meet your objective within your time horizon, and your ability and willingness to accept risk. Asset allocation is the investment in multiple asset classes to create a diversified portfolio. Asset classes include equity securities like stocks, fixed income securities like bonds, near cash or money market instruments like treasury bills, and alternative investments like income trusts.

The Portfolios are designed to simplify the investment process through a professionally designed and selected mix of underlying funds and investments. Unlike conventional mutual funds that invest in individual stocks, bonds and money market securities or a combination of all three, a Portfolio is a mutual fund that invests in fixed income and/or equity securities either directly or indirectly by investing in other mutual funds, pooled funds (i.e., mutual funds not offered for sale under a simplified prospectus), exchange traded funds (i.e., investment funds traded on a stock exchange) and other pooled investment vehicles (i.e., investments that involve the pooling of money contributed by a group of investors that invest in such securities), referred to as "underlying funds" or "underlying investments". The Portfolios may also invest directly in individual securities.

The underlying investments of each Portfolio are selected to achieve and add value to the asset allocation of the Portfolio as a whole. Additional diversification is realized beyond asset class through diversification by market sector, investment style, volatility, geography and geographic and market capitalization. The goal of this type of thorough diversification is to provide a superior risk-adjusted rate of return, by minimizing volatility and maximizing long-term performance results. A "risk-adjusted rate of return" is a rate of return that is adjusted to reflect how much risk was involved in earning the return. Risk is measured in volatility of returns.

#### *What are the Pools?*

The Pools are a series of multi-manager, multi-strategy funds each focused on a single asset class. The Pools may also invest their assets in a mix of underlying investments and individual securities to achieve diversified exposure.

The underlying investments of each Pool are selected to achieve and add value to the Pool as a whole, through diversification by market sector, investment style, volatility, geography and geographic and market capitalization. The goal of this type of thorough diversification is to provide a superior risk-adjusted rate of

return, by minimizing volatility and maximizing long-term performance results. A “risk-adjusted rate of return” is a rate of return that is adjusted to reflect how much risk was involved in earning the return. Risk is measured in volatility of returns.

#### *Ongoing monitoring*

The portfolio advisor continually monitors each Fund to ensure that the asset class mix (in the case of each Portfolio), market sector, investment style, volatility, geographic mix and market capitalization mix are optimal for each Fund.

#### ***Fund Details***

The Fund Details table provides a summary of each Fund. The summary includes a description of the type of mutual fund and security type offered, the date the Fund was established, the annual management fee paid by the Fund to the Manager (as a percentage of the NAV of the Fund) and whether units are “qualified investments” under the Tax Act for registered plans.

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

##### *Investment objectives*

This section outlines the investment objectives of each Fund, and the types of investments in which the Fund primarily invests.

##### *Investment strategies*

This section describes the principal investment strategies each Fund employs to achieve its investment objectives. This information is key to understanding how the investments in a Fund are constructed, and how your investment is being managed.

##### *Investments of the Funds in underlying funds*

In addition to being invested in individual securities, each Portfolio’s assets will be, and each Pool’s assets may be, invested in mutual funds, pooled funds, exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Fund with exposure to investments that are consistent with the investment objectives and strategies of the Fund. The portfolio advisor will buy and sell these investments in its discretion. Each Fund’s investment in pooled funds is permitted pursuant to exemptive relief obtained by the Funds. The exemptive relief permits the Funds to deviate from the investment restrictions contained in NI 81-102 that would otherwise prevent the Funds from investing in mutual funds that are not offered under a simplified prospectus. The exemptive relief is subject to certain conditions, including that the assets of the pooled funds may only be invested in investments permitted by NI 81-102. The simplified prospectus and other information about the underlying funds in which each Fund invests are available on the internet at [www.sedar.com](http://www.sedar.com). In addition, if a Fund holds an investment in a pooled fund, you may, upon request obtain a copy of the offering memorandum (if available) and the audited annual financial statements and semi-annual financial statements of that pooled fund.

Where the Manager is the manager of the underlying funds in which the Funds invest, it will not vote the securities of the underlying funds. Instead, where applicable, the Manager may arrange for such securities to be voted by the beneficial unitholders of the applicable Fund.

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

This section sets out the risks of investing in each Fund.

### ***Who Should Invest in this Fund?***

This section describes the type of investor suitable for each Fund. A critical part of an investor's financial plan is to determine suitability by understanding the investor's:

- Investment objectives – expectation from the investment; income, capital appreciation or a balance between the two.
- Investment time horizon – the expected duration of the investment.
- Risk tolerance – the acceptable level of volatility.

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

This section will help you decide whether the Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

The methodology used by the Manager to determine the risk rating of each Fund is the methodology required by the Canadian Securities Administrators. The investment risk level of each Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund.

Using this methodology, each Fund is assigned an investment risk level based on the Fund's historical 10-year standard deviation in one of the following categories:

- Low
- Low to Medium
- Medium
- Medium to High
- High

For those Funds that do not have a 10-year return history, the standard deviation will be calculated using the actual available return history of the Fund, and imputing the return history of one or more reference indices that reasonably approximate the standard deviation of the Fund for the remainder of the 10-year period.

The following table identifies the Funds that have less than a 10-year return history and the names of the applicable reference indices:

<b>Fund</b>	<b>Reference Index</b>
ATBIS Fixed Income Pool	FTSE TMX Canada Universe Bond Index
ATBIS Canadian Equity Pool	S&P/TSX Composite Index
ATBIS U.S. Equity Pool	S&P 500 Index
ATBIS International Equity Pool	MSCI EAFE Index

These reference indices are briefly described below:

<b>Reference Index</b>	<b>Description</b>
FTSE TMX Canada Universe Bond Index	This index is designed to reflect the performance of the broad Canadian bond market.
MSCI EAFE Index	This index is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. It represents approximately 85% of the market capitalization of the countries associated with the index.
S&P 500 Index	This index is an American index that is based on the market capitalization of 500 large companies having common stock listed on the NYSE or NASDAQ.
S&P/TSX Composite Index	This index is the benchmark Canadian index, representing roughly 70% of the total market capitalization on the Toronto Stock Exchange.

It is important to note that other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund's historical volatility may not be indicative of its future volatility.

The Manager reviews the investment risk level for each Fund at least annually.

The standardized risk classification methodology that the Manager uses to identify the investment risk of the Funds is available on request, at no cost, by dialing toll free 1-888-ATB-FUND or by emailing us at [atbimservice@atb.com](mailto:atbimservice@atb.com) or by writing to ATB Investment Inc. at 21st Floor, 10020 – 100<sup>th</sup> Street NW, Edmonton, AB, T5J 0N3.

### ***Distribution Policy***

This section describes the distribution policy of each Fund.

### ***Fund Expenses Indirectly Borne by Investors***

The Funds pay their expenses out of their assets. This means investors in a Fund indirectly pay for these expenses through lower returns. The expenses of each series of units of a Fund are tracked separately.

The table in this section allows you to compare the costs of investing in a Fund with the cost of other Funds and other mutual funds. It shows the cumulative expenses you would have paid over various time periods if you:

- invested \$1,000 in the Fund;
- earned a total annual return of 5% which may be different from the Fund's actual return in any given year and is only used for illustrative purposes as required by the Canadian Securities Administrators; and
- paid the same management expense ratio (“**MER**”) each year as you did in the Fund's last completed financial year.

## COMPASS CONSERVATIVE PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Canadian Bond
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units - October 31, 2011
Management Fee	A - 1.20% F1 - 0.45%
Registered Plan Eligibility	O - Negotiated with and paid by the unitholder directly Yes
Portfolio Advisor	ATB Investment Management Inc., Edmonton, Alberta
Sub-Advisors	Canso Investment Counsel Ltd., Toronto, Ontario Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with income and some capital appreciation while preserving principal and reducing volatility, by investing in a portfolio of primarily fixed income securities.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 35% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically shift the Portfolio's exposure to fixed income securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook.

The table below illustrates the target asset allocation ranges in which the Portfolio is invested as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time in our discretion.

## Compass Conservative Portfolio

As at the date of this simplified prospectus, the target asset allocation ranges for the Portfolio are as follows:

<u>Investment Mix</u>	<u>% Weight</u>
Cash & Equivalent	0% - 24%
Fixed Income	60% - 86%
Alternative/Equity	10% - 24%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- income trust risk
- interest rate risk
- large investor risk



## Compass Conservative Portfolio

- liquidity risk
- market risk
- mortgage backed securities risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

We have rated the risk level of this Portfolio as low. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a short-term investment horizon
- looking to earn interest income with potential for some capital appreciation while preserving principal
- willing to accept modest fluctuations in the value of their investments and low investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those looking for long-term capital appreciation or those unwilling to accept modest fluctuations in fund value.

### ***Distribution Policy***

Net income is distributed to unitholders semi-annually. If necessary, net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and the Portfolio’s MER remained at 1.30% for Series A units, 0.52% for Series F1 units and 0.04% for Series O units.

## Compass Conservative Portfolio

<u>Expenses Payable Over</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Series A	\$13.65	\$43.03	\$75.42	\$171.69
Series F1	\$5.46	\$17.21	\$30.17	\$68.68
Series O	\$0.42	\$1.32	\$2.32	\$5.28

See “*Fees and Expenses - Fees and Expenses Payable Directly by You*” on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## COMPASS CONSERVATIVE BALANCED PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Canadian Balanced
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units - October 31, 2011
Management Fee	A - 1.50% F1 - 0.60% O - Negotiated with and paid by the unitholder directly
Registered Plan Eligibility	Yes
Sub-Advisors	Canso Investment Counsel Ltd., Toronto, Ontario Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with long-term capital appreciation and some income while reducing short-term volatility by investing in a balanced portfolio of fixed income and equity securities, with a bias towards fixed income securities.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 42% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically shift the Portfolio's exposure to fixed income securities and equity securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook, market sector, investment style, volatility, and market capitalization.

The table below illustrates the target asset allocation ranges that the Portfolio is invested in as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time in our discretion.

As at the date of this simplified prospectus, the target asset allocation ranges for the Portfolio are as follows:

## Compass Conservative Balanced Portfolio

<u>Investment Mix</u>	<u>% Weight</u>
Cash & Equivalent	0% - 12%
Fixed Income	58% - 68%
Canadian Equity	5% - 16%
US Equity	5% - 16%
Int'l & Global Equity	5% - 16%
Alternative	0% - 12%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk

## Compass Conservative Balanced Portfolio

- income trust risk
- interest rate risk
- large investor risk
- liquidity risk
- market risk
- mortgage backed securities risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

We have rated the risk level of this Portfolio as low. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a short- to medium-term investment horizon
- looking for a balance of short- to medium-term capital appreciation and some income with a bias towards fixed income securities
- willing to accept modest fluctuations in the value of their investments and low investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those unwilling to accept modest fluctuations in fund value.

### ***Distribution Policy***

Net income is distributed to unitholders semi-annually. If necessary, net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and

## Compass Conservative Balanced Portfolio

the Portfolio's MER remained at 1.61% for Series A units, 0.68% for Series F1 units and 0.04% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$16.91	\$53.29	\$93.41	\$212.63
Series F1	\$7.14	\$22.51	\$39.45	\$89.81
Series O	\$0.42	\$1.32	\$2.32	\$5.28

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## COMPASS BALANCED PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Global Balanced
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units - October 31, 2011
Management Fee	A - 1.70% F1- 0.70% O - Negotiated with and paid by the unitholder directly
Registered Plan Eligibility	Yes
Sub-Advisors	Canso Investment Counsel Ltd., Toronto, Ontario Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with long-term capital appreciation while reducing short-term volatility by investing in a balanced portfolio of fixed income and equity securities.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 50% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically shift the Portfolio's exposure to fixed income securities and equity securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook, market sector, investment style, volatility, and market capitalization.

The table below illustrates the target asset allocation ranges that the Portfolio is invested in as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time at our discretion.

As at the date of this simplified prospectus, the target asset allocation ranges for Compass Balanced Portfolio are as follows:

## Compass Balanced Portfolio

<u>Investment Mix</u>	<u>% Weight</u>
Cash & Equivalent	0% - 5%
Fixed Income	40% - 55%
Canadian Equity	12% - 24%
US Equity	12% - 24%
Int'l & Global Equity	12% - 24%
Alternative	0% - 15%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, institutional pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk



## Compass Balanced Portfolio

- income trust risk
- interest rate risk
- large investor risk
- liquidity risk
- market risk
- mortgage backed securities risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Portfolio had at one time or another up to 12.9% of its net asset value invested in securities of Mawer International Equity Fund and up to 11.4% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund. This holding has no material effect on this Portfolio’s liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Portfolio as low. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a medium- to long-term investment horizon
- looking for a balance of income and long-term capital appreciation
- willing to accept modest fluctuations in the value of their investments and low investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those who have a short-term investment horizon or are unwilling to accept modest fluctuations in fund value.

### ***Distribution Policy***

Net income is distributed to unitholders semi-annually. If necessary, net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

## Compass Balanced Portfolio

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and the Portfolio's MER remained at 1.83% for Series A units, 0.78% for Series F1 units and 0.04% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$19.22	\$60.58	\$106.18	\$241.68
Series F1	\$8.19	\$25.82	\$45.25	\$103.01
Series O	\$0.42	\$1.32	\$2.32	\$5.28

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## COMPASS BALANCED GROWTH PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Global Balanced
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units - October 31, 2011
Management Fee	A - 1.70% F1 - 0.70%
Registered Plan Eligibility	O - Negotiated with and paid by the unitholder directly Yes
Sub-Advisors	Canso Investment Counsel Ltd., Toronto, Ontario Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with long-term capital appreciation by investing in a balanced portfolio of equity and fixed income securities, with a bias towards equity securities.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 58% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically shift the Portfolio's exposure to fixed income securities and equity securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook, market sector, investment style, volatility, and market capitalization.

The table below illustrates the target asset allocation ranges that the Portfolio is invested in as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time in our discretion.

As at the date of this simplified prospectus, the target asset allocation ranges for the Portfolio are as follows:

## Compass Balanced Growth Portfolio

<u>Investment Mix</u>	<u>% Weight</u>
Fixed Income	23% - 33%
Canadian Equity	18% - 30%
US Equity	18% - 30%
Int'l & Global Equity	18% - 30%
Alternative	0% - 15%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, institutional pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- income trust risk
- interest rate risk

## Compass Balanced Growth Portfolio

- large investor risk
- liquidity risk
- market risk
- mortgage backed securities risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Portfolio had at one time or another up to 15.4% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund.. This holding has no material effect on this Portfolio’s liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Portfolio as low to medium. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a medium- to long-term investment horizon
- looking for long-term capital appreciation with a bias towards equity securities
- willing to accept modest fluctuations in the value of their investments and low to medium investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those who have a short-term investment horizon or are unwilling to accept modest fluctuations in fund value.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly

## Compass Balanced Growth Portfolio

borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and the Portfolio's MER remained at 1.84% for Series A units, 0.79% for Series F1 units and 0.05% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$19.32	\$60.91	\$106.76	\$243.00
Series F1	\$8.30	\$26.15	\$45.84	\$104.33
Series O	\$0.53	\$1.66	\$2.90	\$6.60

See “*Fees and Expenses – Fees and Expenses Payable Directly by You*” on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## COMPASS GROWTH PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Global Equity
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units - October 31, 2011
Management Fee	A - 1.80% F1 - 0.80% O - Negotiated with and paid by the unitholder directly
Registered Plan Eligibility	Yes
Sub-Advisors	Canso Investment Counsel Ltd., Toronto, Ontario Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with long-term capital appreciation by investing in a diversified portfolio of primarily equity securities, with some fixed income securities to reduce volatility.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 69% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically allocate the Portfolio's exposure to equity securities and fixed income securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as market sector, investment style, volatility, and market capitalization.

The table below illustrates the target asset allocation ranges that the Portfolio is invested in as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time in our discretion.

As at the date of this simplified prospectus, the target asset allocation ranges for the Portfolio are as follows:

## Compass Growth Portfolio

<u>Investment Mix</u>	<u>% Weight</u>
Fixed Income	5% - 15%
Canadian Equity	23% - 37%
US Equity	23% - 37%
Int'l & Global Equity	23% - 37%
Alternative	0% - 15%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, institutional pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- income trust risk
- interest rate risk



## Compass Growth Portfolio

- large investor risk
- liquidity risk
- market risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Portfolio had at one time or another up to 19.7% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund and up to 12.1% of its net asset value invested in securities of Mawer International Equity Fund. These holdings have no material effect on this Portfolio’s liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Portfolio as low to medium. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a long-term investment horizon
- looking for long-term capital appreciation with primarily equity securities and some fixed income securities
- willing to accept volatility in the value of their investments and low to medium investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those who have a short-term investment horizon or are looking for a steady source of income.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and the Portfolio's MER remained at 1.95% for Series A units, 0.90% for Series F1 units and 0.05% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$20.48	\$64.55	\$113.14	\$257.53
Series F1	\$9.45	\$29.79	\$52.22	\$118.86
Series O	\$0.53	\$1.66	\$2.90	\$6.60

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## COMPASS MAXIMUM GROWTH PORTFOLIO

### *Fund Details*

Type of Fund	Diversified Global Equity
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A and Series O units - December 11, 2002 Series F1 units – October 31, 2011
Management Fee	A - 1.80% F1 - 0.80% O - Negotiated with and paid by the unitholder directly
Registered Plan Eligibility	Yes
Sub-Advisors	Franklin Bissett Investment Management (a division of Franklin Templeton Investments Corp.), Calgary, Alberta Mawer Investment Management Ltd., Calgary, Alberta QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

To provide investors with long-term capital appreciation by investing in a diversified portfolio of equity securities.

Any change in the fundamental investment objectives of the Portfolio requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Portfolio's investment strategies described below at our discretion.

#### *Investment Strategies*

Under normal market conditions, the assets of the Portfolio will be invested in accordance with the target asset allocation ranges described below. The portfolio advisor will review and adjust the investments within each asset class in its sole discretion. The investments held by the Portfolio will be diversified by asset class and investment style to minimize volatility and maximize risk-adjusted, long-term returns.

Up to 88% of the Portfolio's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically allocate the Portfolio's exposure to equity securities based upon its view of the market and the suitability of the investment for the Portfolio, and by taking into account factors such as market sector, investment style, volatility, and market capitalization.

The table below illustrates the target asset allocation ranges that the Portfolio is invested in as at the date of this simplified prospectus. However, these asset classes and the related target asset allocation ranges may change from time to time in our discretion.

As at the date of this simplified prospectus, the target asset allocation ranges for the Portfolio are as follows:

## Compass Maximum Growth Portfolio

<u>Investment Mix</u>	<u>% Weight</u>
Canadian Equity	26% - 39%
US Equity	26% - 39%
Int'l & Global Equity	26% - 39%
Alternative	0% - 15%

We may from time to time invest a significant portion or even all of the Portfolio's net assets in securities of other mutual funds, institutional pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), exchange traded funds and other pooled investment vehicles managed by third parties or the Manager, that provide the Portfolio with exposure to investments that are consistent with the investment objectives and strategies of the Portfolio. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Portfolio uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Portfolio and will comply with the requirements of Canadian securities regulation. The Portfolio may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Portfolio may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Portfolio may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Portfolio will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Portfolio's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Portfolio manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Portfolio are:

- company risk
- concentration risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- income trust risk
- large investor risk
- liquidity risk
- market risk

## Compass Maximum Growth Portfolio

- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the General and Specific Risks of Investing in a Mutual Fund?*” earlier in this document.

As at July 31, 2019, one investor held approximately 11.41% of the units of the Portfolio. Please see *Large Investor Risk* on page 5 for details of the risk associated with a possible redemption of units of the Portfolio by this investor.

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Portfolio had at one time or another up to 22.3% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund and up to 17.2% of its net asset value invested in securities of Mawer International Equity Fund. These holdings have no material effect on this Portfolio’s liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Portfolio as low to medium. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Portfolio’s investment risk level.

### ***Who Should Invest in this Fund?***

The Portfolio is suitable for investors:

- who have a long-term investment horizon
- looking for long-term capital appreciation
- willing to accept volatility in the value of their investments and low to medium investment risk
- wanting a low maintenance investment vehicle
- wishing to diversify their portfolio not only by asset class, but also by investment manager and management style
- wanting professional advice in choosing and monitoring their asset mix

This Portfolio is not suitable for those who have a short-term investment horizon or are looking for a steady source of income.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Portfolio unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Portfolio with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Portfolio that are indirectly

## Compass Maximum Growth Portfolio

borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Portfolio, each year the Portfolio earned a constant total annual return of 5% and the Portfolio's MER remained at 1.98% for Series A units, 0.90% for Series F1 units and 0.05% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$20.79	\$65.54	\$114.88	\$261.49
Series F1	\$9.45	\$29.79	\$52.22	\$118.86
Series O	\$0.53	\$1.66	\$2.90	\$6.60

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## **ATBIS FIXED INCOME POOL**

### ***Fund Details***

Type of Fund	Diversified Fixed Income
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A, Series F1 and Series O units – September 22, 2016
Management Fee	A - 1.25% F1 - 0.50% O - Negotiated with and paid by the unitholder directly to us
Registered Plan Eligibility	Yes – expected to be a qualified investment
Portfolio Advisor	ATB Investment Management Inc., Edmonton, Alberta
Sub-Advisor (for a portion of the Pool)	Canso Investment Counsel Ltd., Toronto, Ontario

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

#### *Investment Objectives*

The fundamental investment objective is to seek to earn interest income primarily by investing in, or gaining exposure to, Canadian dollar-denominated fixed income securities.

Any change in the fundamental investment objectives of the Pool requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Pool's investment strategies described below at our discretion.

#### *Investment Strategies*

The portfolio advisor seeks to achieve the fundamental investment objective of the Pool primarily by investing in, or gaining exposure to, bonds denominated in Canadian dollars, which may include debt obligations of, or guaranteed by, Canadian federal, provincial or municipal governments, Canadian corporations, or foreign issuers (Maple bonds).

In addition, the Pool may invest in, or have exposure to, any one or combination of: mortgages that are fully and unconditionally guaranteed, or insured, by the government of Canada, by the government of a jurisdiction of Canada or by an agency of any of those governments or by a corporation approved by the Office of the Superintendent of Financial Institutions to offer its services to the public in Canada as an insurer of mortgages; mortgage-backed securities; global investment and non-investment-grade (high yield) bonds; emerging market debt; and any other foreign debt obligations that are not denominated in Canadian dollars. The Pool may also hold fixed and floating rate preferred shares and may hold other equity securities if received as a result of a corporate reorganization.

In addition, the Pool may invest in, or have exposure to, cash or short term money market instruments to manage liquidity needs and/or act as collateral for any permitted derivatives activity.

Up to 49% of the Pool's assets may be invested in foreign securities.

## ATBIS Fixed Income Pool

The portfolio advisor will use a tactical approach to dynamically shift the Pool's exposure to fixed income securities based upon its view of the market and the suitability of the investment for the Pool, and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook.

This exposure may be achieved through investment in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds, as well as in individual securities through segregated accounts managed by third parties or the Manager, in each case that provide the Pool with exposure to investments that are consistent with the investment objectives and strategies of the Pool. Up to 100% of the Pool's assets may be invested in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Pool uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Pool and will comply with the requirements of Canadian securities regulation. The Pool may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Pool may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Pool may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Pool will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Pool's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Pool manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Pool are:

- company risk
- concentration risk
- credit risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- interest rate risk
- large investor risk
- liquidity risk
- market risk
- mortgage-backed securities risk
- pooled fund risk



## ATBIS Fixed Income Pool

- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- tax risk

For descriptions of these risks, see “*What are the general and specific risks of investing in a mutual fund?*” earlier in this document.

We have rated the risk level of this Pool as low. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Pool’s investment risk level.

### ***Who Should Invest in this Fund?***

The Pool is suitable for investors:

- who have a short-term investment horizon
- looking to earn interest income with potential for some capital appreciation
- willing to accept modest fluctuations in the value of their investments and low investment risk
- wishing to diversify their asset class exposure by investment manager and management style

This Pool is not suitable for those looking for long-term capital appreciation or those unwilling to accept modest fluctuations in fund value.

### ***Distribution Policy***

Net income is distributed to unitholders semi-annually. If necessary, net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Pool unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Pool with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Pool that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Pool, each year the Pool earned a constant total annual return of 5% and the Pool’s MER remained at 1.40% for Series A units, 0.56% for Series F1 units and 0.04% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$14.70	\$46.34	\$81.23	\$184.90
Series F1	\$5.88	\$18.54	\$32.49	\$73.96
Series O	\$0.42	\$1.32	\$2.32	\$5.28

See “*Fees and Expenses - Fees and Expenses Payable Directly by You*” on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## ATBIS CANADIAN EQUITY POOL

### *Fund Details*

Type of Fund	Diversified Canadian Equity
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A, Series F1 and Series O units – September 22, 2016
Management Fee	A - 1.75% F1 - 0.75% O - Negotiated with and paid by the unitholder directly to us
Registered Plan Eligibility	Yes – expected to be a qualified investment
Portfolio Advisor	ATB Investment Management Inc., Edmonton, Alberta
Sub-Advisor (for a portion of the Pool)	QV Investors Inc., Calgary, Alberta

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

#### *Investment Objectives*

The fundamental investment objective is to seek to achieve long-term capital appreciation primarily by investing in, or gaining exposure to, equity securities of issuers in Canada.

Any change in the fundamental investment objectives of the Pool requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Pool's investment strategies described below at our discretion.

#### *Investment Strategies*

The portfolio advisor seeks to achieve the fundamental investment objective of the Pool primarily by investing in, or obtaining exposure to, equity securities of Canadian companies, including common and preferred shares and income trusts. The portfolio advisor will seek to construct a diversified portfolio comprised of securities from Canadian issuers of varying market capitalizations. An issuer is considered to be a Canadian issuer if: (a) the issuer derives significant revenue from goods produced, sales made or services rendered in Canada; (b) the principal trading market for securities of the issuer is in Canada; (c) the issuer is organized under the laws of a jurisdiction in Canada; or (d) the issuer has significant assets or a principal office in Canada.

In addition, the Pool may invest in, or have exposure to, cash or short term money market instruments to manage liquidity needs and/or act as collateral for any permitted derivatives activity.

Up to 20% of the Pool's assets may be invested in foreign securities.

The portfolio advisor will use a tactical approach to dynamically allocate the Pool's exposure to Canadian equity securities based upon its view of the market and the suitability of the investment for the Pool, and by taking into account factors such as market sector, investment style, volatility, and market capitalization.

This exposure may be achieved through investment in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds, as

well as in individual securities through segregated accounts managed by the sub-advisors or portfolio advisor, in each case that provide the Pool with exposure to investments that are consistent with the investment objectives and strategies of the Pool. Up to 100% of the Pool's assets may be invested in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Pool uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Pool and will comply with the requirements of Canadian securities regulation. The Pool may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Pool may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Pool may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Pool will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Pool's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Pool manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Pool are:

- company risk
- concentration risk
- cyber security risk
- derivative risk
- fund on fund risk
- large investor risk
- liquidity risk
- market risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the general and specific risks of investing in a mutual fund?*” earlier in this document.

## ATBIS Canadian Equity Pool

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Portfolio had at one time or another up to 14.8% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund. These holdings have no material effect on this Portfolio's liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Pool as low to medium. See "*Investment Risk Classification Methodology*" at pages 25 and 26 of this document for information relating to the methodology used to determine the Pool's investment risk level.

### ***Who Should Invest in this Fund?***

The Pool is suitable for investors:

- who have a long-term investment horizon
- looking for long-term capital appreciation
- willing to accept volatility in the value of their investments and low to medium investment risk
- wishing to diversify their asset class exposure by manager and management style

This Pool is not suitable for those who have a short-term investment horizon or are looking for a steady source of income.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Pool unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Pool with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Pool that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Pool, each year the Pool earned a constant total annual return of 5% and the Pool's MER remained at 1.97% for Series A units, 0.84% for Series F1 units and 0.05% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$20.69	\$65.21	\$114.30	\$260.17
Series F1	\$8.82	\$27.81	\$48.74	\$110.94
Series O	\$0.53	\$1.66	\$2.90	\$6.60

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## ATBIS U.S. EQUITY POOL

### *Fund Details*

Type of Fund	Diversified U.S. Equity
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A, Series F1 and Series O units – September 22, 2016
Management Fee	A - 1.75% F1 - 0.75% O - Negotiated with and paid by the unitholder directly to us
Registered Plan Eligibility	Yes – expected to be a qualified investment
Portfolio Advisor	ATB Investment Management Inc., Edmonton, Alberta
Sub-Advisor (for a portion of the Pool)	Mawer Investment Management Ltd., Calgary, Alberta

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

#### *Investment Objectives*

The fundamental investment objective is to seek to achieve long-term capital growth primarily by investing, or gaining exposure to, equity securities of issuers in the United States.

Any change in the fundamental investment objectives of the Pool requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Pool's investment strategies described below at our discretion.

#### *Investment Strategies*

The portfolio advisor seeks to achieve the fundamental investment objective of the Pool primarily by investing in, or obtaining exposure to, equity securities of U.S. issuers. The portfolio advisor will seek to construct a diversified portfolio comprised of securities from U.S. issuers of varying market capitalizations. An issuer is considered to be a U.S. issuer if: (a) the issuer derives significant revenue from goods produced, sales made or services rendered in the U.S.; (b) the principal trading market for securities of the issuer is in the U.S.; (c) the issuer is organized under the laws of a jurisdiction in the U.S.; or (d) the issuer has significant assets or a principal office in the U.S.

In addition, the Pool may invest in, or have exposure to, cash or short term money market instruments to manage liquidity needs and/or act as collateral for any permitted derivatives activity.

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

The portfolio advisor will use a tactical approach to dynamically allocate the Pool's exposure to U.S. equity securities based upon its view of the market and the suitability of the investment for the Pool, and by taking into account factors such as market sector, investment style, volatility, and market capitalization.

This exposure may be achieved through investment in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds, as well as in individual securities through segregated accounts managed by the sub-advisor or the portfolio

## ATBIS U.S. Equity Pool

advisor, in each case that provide the Pool with exposure to investments that are consistent with the investment objectives and strategies of the Pool. Up to 100% of the Pool's assets may be invested in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Pool uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Pool and will comply with the requirements of Canadian securities regulation. The Pool may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Pool may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Pool may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Pool will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Pool's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Pool manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Pool are:

- company risk
- concentration risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- large investor risk
- liquidity risk
- market risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

For descriptions of these risks, see “*What are the general and specific risks of investing in a mutual fund?*” earlier in this document.

## ATBIS U.S. Equity Pool

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Pool had at one time or another up to 38.3% of its net asset value invested in securities of BlackRock CDN US Equity Index Fund and up to 29.5% of its net asset value invested in securities of Mawer U.S. Equity Fund. These holdings have no material effect on this Pool's liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Pool as medium. See "*Investment Risk Classification Methodology*" at pages 25 and 26 of this document for information relating to the methodology used to determine the Pool's investment risk level.

### ***Who Should Invest in this Fund?***

The Pool is suitable for investors:

- who have a long-term investment horizon
- looking for long-term capital appreciation
- willing to accept volatility in the value of their investments and medium investment risk
- wishing to diversify their asset class exposure by manager and management style

This Pool is not suitable for those who have a short term investment horizon or are looking for a steady source of income.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Pool unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Pool with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Pool that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Pool, each year the Pool earned a constant total annual return of 5% and the Pool's MER remained at 1.96% for Series A units, 0.77% for Series F1 units and 0.04% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$20.58	\$64.88	\$113.72	\$258.85
Series F1	\$8.09	\$25.49	\$44.67	\$101.69
Series O	\$0.42	\$1.32	\$2.32	\$5.28

See "*Fees and Expenses - Fees and Expenses Payable Directly by You*" on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

**ATBIS INTERNATIONAL EQUITY POOL**

***Fund Details***

Type of Fund	Diversified International Equity
Type of Security	Mutual Fund Trust Units
Date of Inception	Series A, Series F1 and Series O units – September 22, 2016
Management Fee	A - 1.75% F1 - 0.75% O - Negotiated with and paid by the unitholder directly to us
Registered Plan Eligibility	Yes – expected to be a qualified investment
Portfolio Advisor	ATB Investment Management Inc., Edmonton, Alberta
Sub-Advisor (for a portion of the Pool)	Mawer Investment Management Ltd., Calgary, Alberta

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

*Investment Objectives*

The fundamental investment objective is to seek to achieve long-term capital growth primarily by investing in, or gaining exposure to, stocks and other equity securities of issuers outside Canada and the United States.

Any change in the fundamental investment objectives of the Pool requires the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Pool's investment strategies described below at our discretion.

*Investment Strategies*

The portfolio advisor seeks to achieve the fundamental investment objective of the Pool by primarily obtaining exposure to stocks and other equity securities of companies outside Canada and the United States. The portfolio advisor will seek to construct a diversified portfolio comprised of securities from international issuers of varying geographic exposure and market capitalizations. An issuer is considered to be an international issuer if: (a) the issuer derives significant revenue from goods produced, sales made or services rendered outside of Canada or the U.S.; (b) the principal trading market for securities of the issuer is outside of Canada or the U.S.; (c) the issuer is organized under the laws of a jurisdiction other than Canada or the U.S.; or (d) the issuer has significant assets or a principal office outside of Canada or the U.S. The Pool may invest in issuers in both developed and emerging markets.

In addition, the Pool may invest in, or have exposure to, cash or short term money market instruments to manage liquidity needs and/or act as collateral for any permitted derivatives activity.

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

The portfolio advisor will use a tactical approach to dynamically allocate the Pool's exposure to international equity securities based upon its view of the market and the suitability of the investment for the Pool, and by taking into account factors such as geography, market sector, investment style, volatility, and market capitalization.



## ATBIS International Equity Pool

This exposure may be achieved through investment in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds, as well as in individual securities through segregated accounts managed by the sub-advisor or the portfolio advisor, in each case that provide the Pool with exposure to investments that are consistent with the investment objectives and strategies of the Pool. Up to 100% of the Pool's assets may be invested in securities of other mutual funds, pooled funds (i.e., mutual funds that are not offered for sale under a simplified prospectus), and exchange traded funds. The portfolio advisor will buy and sell these investments in its discretion using the same strategies that it uses when investing directly in the underlying securities held by such funds.

The Pool uses derivatives, such as options, forwards and futures, to hedge against potential loss. Any use of derivatives will be consistent with the investment objectives of the Pool and will comply with the requirements of Canadian securities regulation. The Pool may use derivatives to hedge up to 100% of any fluctuations caused by changes in exchange rates between foreign currencies and the Canadian dollar. Generally, the use of derivatives to hedge against fluctuations between foreign currencies and the Canadian dollar will not result in the impact of currency fluctuations being eliminated altogether. Furthermore, during times of extreme market stress or volatility the Pool may not be able to prevent losses from exposure to foreign currency. For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative Risk* on page 4.

Effective 60 days from mailing a notice to investors, the Pool may enter into securities lending transactions, repurchase transactions and reverse repurchase transactions to seek additional returns. The Pool will only do so if there are suitable counterparties available and if the transactions are considered appropriate to achieving the Pool's investment objectives. For a description of securities lending transactions, repurchase transactions and reverse repurchase transactions and how the Pool manages the risks associated with these transactions, please see the discussion under *Securities Lending, Repurchase and Reverse Repurchase Transactions Risk* on page 7.

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

The risks of investing in the Pool are:

- company risk
- concentration risk
- currency risk
- cyber security risk
- derivative risk
- foreign investment risk
- fund on fund risk
- large investor risk
- liquidity risk
- market risk
- pooled fund risk
- private company risk
- regulatory risk
- securities lending, repurchase and reverse repurchase transactions risk
- series risk
- small capitalization risk
- tax risk

## ATBIS International Equity Pool

For descriptions of these risks, see “*What are the general and specific risks of investing in a mutual fund?*” earlier in this document.

During the 12 month period immediately preceding the date that is 30 days before the date of this document, the Pool had at one time or another up to 61.1% of its net asset value invested in securities of Mawer International Equity Fund and up to 30.1% of its net asset value invested in securities of BlackRock CDN MSCI EAFE Equity Index Fund. These holdings have no material effect on this Pool’s liquidity or volatility, nor on its ability to fund redemptions.

We have rated the risk level of this Pool as medium. See “*Investment Risk Classification Methodology*” at pages 25 and 26 of this document for information relating to the methodology used to determine the Pool’s investment risk level.

### ***Who Should Invest in this Fund?***

The Pool is suitable for investors:

- who have a long-term investment horizon
- looking for long-term capital appreciation
- willing to accept volatility in the value of their investments and medium investment risk
- wishing to diversify their asset class exposure by manager and management style

This Pool is not suitable for those who have a short term investment horizon or are looking for a steady source of income.

### ***Distribution Policy***

If necessary, net income and net realized capital gains are distributed to unitholders annually in December. Distributions are automatically used to purchase additional units of the Pool unless you advise us in writing that you prefer to receive cash distributions.

### ***Fund Expenses Indirectly Borne by Investors***

The table below is intended to help an investor compare the cost of investing in the Pool with the cost of investing in other mutual funds, and shows the fees and expenses paid by the Pool that are indirectly borne by an investor. It shows the cumulative expenses you would have paid over various time periods if you invested \$1,000 in the Pool, each year the Pool earned a constant total annual return of 5% and the Pool’s MER remained at 1.96% for Series A units, 0.88% for Series F1 units and 0.08% for Series O units.

<b>Expenses Payable Over</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Series A	\$20.58	\$64.88	\$113.72	\$258.85
Series F1	\$9.24	\$29.13	\$51.06	\$116.22
Series O	\$0.84	\$2.65	\$4.64	\$10.57

See “*Fees and Expenses - Fees and Expenses Payable Directly by You*” on pages 16 and 17 for a description of the fees and expenses payable directly by you which are not included in the calculation of the MER.

## **ATB FUNDS**

### **Compass Portfolios:**

Compass Conservative Portfolio  
Compass Conservative Balanced Portfolio  
Compass Balanced Portfolio  
Compass Balanced Growth Portfolio  
Compass Growth Portfolio  
Compass Maximum Growth Portfolio

### **ATBIS Pools:**

ATBIS Fixed Income Pool  
ATBIS Canadian Equity Pool  
ATBIS U.S. Equity Pool  
ATBIS International Equity Pool

Additional information about the Funds is available in the annual information form, the fund facts, the management reports of fund performance and the financial statements. These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at no cost by calling us toll-free at 1-888-ATB-FUND, by e-mailing us at [atbimservice@atb.com](mailto:atbimservice@atb.com) or by contacting your dealer.

These documents and other information about the Funds, such as information circulars and material contracts, are also available at [www.atb.com](http://www.atb.com) or at [www.sedar.com](http://www.sedar.com).

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