

This document contains all the information that a reasonable investor would consider important to know regarding their relationship with Barrage Capital Inc. ("Barrage"), as required by Regulation 31-103 - *registration requirements, exemptions and ongoing registrant obligations* ("Regulation 31-103"). This information circular is provided to you when you open your account or before we provide you with advice or other services. If there are significant changes to the information contained in this document, we will notify you of the updates in writing as soon as possible.

## *Services offered*

Barrage offers discretionary portfolio management services to its clients, focusing solely on the growth portion of their portfolios. Barrage concentrates on identifying securities deemed undervalued relative to their estimated intrinsic value and employs an investment strategy known as value investing. As your portfolio manager, Barrage gathers information about you and determines whether the proposed investment strategy is suitable for you. Barrage offers only one value-seeking investment strategy, and it is possible that this strategy may not be right for you. Barrage is committed to acting with honesty, good faith, and fairness toward its clients, and our obligation to assess suitability must be fulfilled by prioritizing your interests.

As your portfolio manager, Barrage is required to act in your best interest and to ensure that any action it takes, decides to take or recommends with respect to an investment is suitable for you and prioritizes your interests.

In order to offer efficient management to its clients, Barrage manages your assets through the Barrage Fund (the "Fund"), an open-end trust established by a Trust Agreement in 2013. The Fund is governed by the laws of the province of Quebec.

## *Investment Policy*

Barrage's investment policy is designed to offer maximum flexibility to Barrage's managers in order to grow your capital.

The objective of the value-based investment strategy is medium to long-term capital growth and achieving an after-fee return above that of the MSCI World benchmark index.

## *Investment approach*

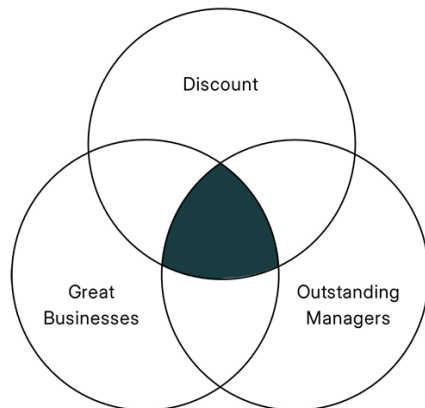
To achieve your investment goals, Barrage's managers apply the investment approach known as "Value Investing," which consists of buying quality companies when their price is undervalued.

This approach is based on the idea that a significant difference can exist between a company's value and its stock market price, and that this difference tends to disappear over time. The challenge is not to understand the exact reasons for this difference, but rather to capitalize on it. Since a company's price is readily available, the difficulty lies in estimating its value.

A company's value stems primarily from the value of its assets and its ability to generate profits. Past profits alone cannot guarantee future profitability. Managers must consider several other factors to achieve a reasonable degree of certainty about future profitability. These factors include the company's business model and industry characteristics, its competitive position, and the integrity and competence of its management.

After assessing a company's value, Barrage's managers only purchase shares when the market price is significantly lower than its valuation. The difference between the price paid and the estimated value constitutes the "margin of safety." The margin of safety provides a dual advantage: it significantly reduces the risk of permanent capital loss and increases the potential for return.

In short, Barrage's managers are looking for the combination of a dominant company, managed by exceptional executives and available at a discount on the stock market.



As for the sale of a company's shares, it will be determined by one or more of the following factors:

- The market value of the stock has reached its intrinsic value, or the event expected to trigger the realization of the estimated value has occurred. The investment's potential has reached maturity.
- The intrinsic value of the company has decreased (the company's competitive advantage has eroded, management has made decisions against the best interests of shareholders) or the estimation of the intrinsic value was incorrect;
- A better opportunity presents itself.

## *Strategy*

### **Geographical allocation**

Barrage's proposed strategy is based on the acquisition of equity securities of companies located throughout the world with a heavy weighting in North America, given the relative importance of this market compared to the rest of the world.

### **Sectoral breakdown**

Barrage's strategy offers exposure to securities issued by companies in various sectors of activity.

### **Market capitalization**

Barrage's strategy allows the managers to invest in the securities of undervalued companies, regardless of their market capitalization

## Concentration

Barrage's strategy is based on holding eight to fifteen securities in its portfolio, and Barrage undertakes to hold a minimum of six. At the time of acquisition, no single security may represent more than 40% of the value of the assets invested through the Fund, while the three largest positions may not exceed 60% of the value of the assets invested through the Fund.

## Security type

Barrage's strategy is primarily composed of common shares of public companies. However, there may be times when managers deem that market investment opportunities do not meet their selection criteria. In such cases, rather than compromising on investment quality, managers prefer to keep capital in liquid, low-risk assets until suitable investment opportunities arise again.

## *Minimum, maximum and target weighting*

Securities	Minimum as a percentage of the Fund's assets	Maximum as a percentage of the Fund's assets	Target weighting
Cash or cash equivalents	0%	100%	5%
Bonds, debentures and preferred shares	0%	100%	0%
Common shares and unit trusts	0%	100%	95%
Warrants and subscription rights	0%	5%	0%

In accordance with applicable regulations, over-the-counter derivatives may be used in a currency hedging program and their notional value may reach 100% of the Fund's value when managers consider it appropriate.

The managers do not engage in any margin transactions and do not hold any loans or lines of credit in connection with the management of the Fund.

## Fees

In consideration for its discretionary portfolio management services, Barrage deducts the following management fees from the Fund, comprised of two elements:

- Base fee: 1% of the Fund's net assets per year;
- Performance fee: 20% of the return exceeding a threshold of 5% per year.

The 5% threshold is the annual return, before base fees, above which performance fees are applied. This minimum return is cumulative when it is not met. For example, if the Fund's return is 0% in a given year, the threshold will be 10.25% the following year (5% compounded over 2 years).

Furthermore, performance fees are subject to the high water mark rule. This rule stipulates that no performance fees can be charged if the unit value falls below a level at which fees have already been applied. For example, if the unit value drops from \$150 to \$140, it must rise to at least \$150 before performance fees can be charged again.

Clients do not have to pay management fees directly, as these are deducted from the fund (quarterly for basic fees, annually for performance fees). Fees accrue monthly and are deducted from the net asset value per unit when paid.

Management fees are subject to federal and provincial sales taxes. Below is a table showing management fees based on various performance assumptions:

Fund Return	Base fees	Performance fees (Return – Threshold) x 20%	Total management fees
-5.0%	1.0%	0.0%	1.0%
0.0%	1.0%	0.0%	1.0%
5.0%	1.0%	0.0%	1.0%
10.0%	1.0%	1.0%	2.0%
15.0%	1.0%	2.0%	3.0%
20.0%	1.0%	3.0%	4.0%

Transaction fees for the securities that make up the Fund are paid from the Fund and represent an expense of less than 0.01% (1 basis point) of the Fund's assets annually.

Barrage covers the costs of external partners for trustee, custodian and administration services, as well as those for the annual audit of the Fund.

There are no separate administration, transaction, or commission fees. When transferring funds, fees may be applied by the financial institution from which the funds originate. Barrage does not reimburse these fees.

Fees reduce clients' net returns due to their cumulative effect over time. All returns shown in Barrage's marketing materials are after fees.

## *Risk level*

Barrage's value-based investment strategy involves certain risks, including the following. The strategy's target risk level is medium to medium-high, given the approach, strategy, and types of risks involved. Barrage offers no guarantee that the investment objectives pursued by the value-based strategy will be achieved.

### **Volatility**

Volatility is the magnitude of price fluctuations affecting a security. Since Barrage's investment strategy is primarily composed of equities, clients should expect the value of their assets to fluctuate considerably in the short term. Individuals requiring short-term liquidity should not invest in the strategy offered by Barrage.

### **Concentration**

Barrage's investment strategy comprises a limited number of securities, which could amplify the impact of any single security on the portfolio. Securities deemed undervalued may be concentrated in certain sectors, industries, or risk factors (e.g., cyclical or mature sectors). This concentration can increase the portfolio's sensitivity to sector shocks, economic downturns, and industry-specific events.

### **Interest rates**

A sharp change in interest rates could have an impact on all financial markets, including the equity market, which could affect the value of the Fund's portfolio and, consequently, the value of your units in the Fund.

### **Exchange rate**

When investments are made in a foreign currency, a change in the exchange rate between that currency and the Canadian dollar has a direct impact on the value of the Fund's units.

### **Decrease in the value of a company**

The erosion of the value of a portfolio company can be caused by unforeseen events, such as fraud, natural disaster, cyberattack, etc.

### **Analysis error**

Barrage managers may make an error in assessing a company's value, particularly due to incomplete or inaccurate financial information, incorrect assumptions about future growth, profitability, or cash flow, or unforeseen changes in the economic or competitive environment. If the estimated intrinsic value is incorrect, the stock may never reach its anticipated price.

### **Risk of relative underperformance**

Value-based strategies can underperform other management styles, particularly growth-oriented strategies, especially during periods of strong economic expansion; in markets dominated by high-growth or high-valuation companies. This underperformance can persist over extended periods.

## Liquidity risk

Some securities considered undervalued may have a lower level of liquidity, which can make them harder to buy or sell, lead to larger bid-ask spreads, and increase transaction costs.

## Risks associated with borrowing to make an investment

Barrage's managers believe that no client should borrow money to invest in the Fund.

## Registrations

Barrage is registered with the Autorité des marchés financiers in Quebec and the Securities Commissions of Ontario, Alberta and British Columbia in the registration categories mentioned in the table below.

### Company registrations

Registration categories	Description of activities
Investment fund manager	Barrage has set up the Fund, which is classified as an investment fund and manages its operations.
Portfolio Manager	Barrage acts as a portfolio manager with a discretionary mandate for its clients. Barrage makes investment decisions regarding the securities comprising the Fund.
Exempt market dealer	Barrage acts as an exempt market dealer when a client subscribes to units of the Fund which is offered under a prospectus exemption without a discretionary mandate.

### Registration of individuals

Barrage maintains the registration of individuals required in each of the provinces where it is registered.

Patrick Thénier, president of Barrage, acts as the ultimate designated person and Maxime Lauzière is the chief compliance officer.

## Service providers

As the investment fund manager for the Fund, Barrage has retained the services of external partners with recognized expertise to assist in the administration and auditing of the Fund. The independence between these partners and Barrage helps to eliminate any form of conflict of interest, thereby protecting the interests of the unitholders.

CIBC MELLON Trust Company		1 York Street, Suite 900, Toronto, Ontario, M5J 0B6
Trustee	Role of protecting unitholders	
Custodian	Custodian of the Fund's assets	
Administrator	Fund accounting and administration (register of unitholders, account statements, tax statements)	

CIBC Mellon Trust Company acts as custodian of the Barrage Fund and the units of the Barrage Fund are held in the client's name in the books and register of the Barrage Fund.

The Fund's assets are held separately from the assets of other CIBC Mellon Trust Company clients, as well as from Barrage's own assets and those of CIBC Mellon Trust Company. Barrage does not directly hold your cash or assets, and we do not have access to them except indirectly, as an investment fund manager.

KPMG		600 Maisonneuve Boulevard West, Suite 1500, Montreal, Quebec, H3A 0A3
Auditor	Ensures that the Fund's accounting complies with generally accepted accounting principles under IFRS standards and issues an opinion to readers to that effect.	

FASKEN		800 Square-Victoria Street, Suite 3500, Montreal, Quebec, H3C 0B4
Legal counsel	Securities related legal services.	

## Performance and benchmark index

The net asset value per unit (NAV) of the units is calculated by CIBC Mellon Trust Company on the last business day of each month. The NAV of each unit is determined by dividing the net asset value of the Fund by the number of units outstanding.

The change in the NAV of the units constitutes the Fund's return. It is important to note that the Fund's past performance is not indicative of its future performance.

The managers compare the Fund's performance to the MSCI World index (represented by the iShares MSCI World ETF (URTH) and converted into Canadian dollars).

The managers chose this index because it represents 85% of the investable market capitalization of large and mid-cap stocks in 23 developed markets worldwide. The MSCI World thus represents the Fund's investment opportunities.

# Opening accounts

## Account Types

Barrage offers the possibility of investing through the following account types:

- Non-registered - individual, corporate or joint
- TFSA: Tax-Free Savings Account
- RRSP: Registered Retirement Savings Plan - individual or spousal
- RRIF: Registered Retirement Income Fund - individual or spousal
- LIRA: Locked-in retirement account
- Locked-in RRSP
- LIF: Life Income Fund

Barrage has set the minimum investment at opening at \$250,000 per person. This amount can be divided into account types (minimum of \$10,000 per account).

## Know your client

Barrage must take reasonable steps to get to know you well, and have sufficient information on the following: your personal information, your financial situation, your investment needs and objectives, your investment knowledge, your risk profile and your investment horizon.

Barrage must establish your identity and determine whether you have inside information about a reporting issuer or any issuer whose securities are traded on a market. If there is any doubt, Barrage must conduct due diligence on your reputation. Barrage also carries out the checks required by the requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act on the laundering of the proceeds of crime and the financing of terrorist activities* (Canada).

In the case of a client that is a legal entity, Barrage must determine the nature of its activities and the identity of the individuals who exercise control over it.

The client must inform Barrage of any significant change in their situation without delay and the information collected is updated at least once every 12 months.

Information is collected in accordance with Barrage's Privacy Policy.

## Suitability

Barrage has an obligation to verify suitability for the client before making a recommendation.

Barrage's exclusive investment strategy is aimed at investors who:

- Have a medium to long-term investment horizon;
- Want discretionary management for the growth portion of their portfolio;
- Are looking for a value-based investment approach;

- have sufficient tolerance and capacity for risk taking.

## *Subscription and redemption of shares*

Subscriptions and redemptions of shares take place on the valuation dates, the **last business day of each month**, at the NAV price. It is possible to subscribe to shares in Canadian or US currency.

Purchases must be approved **no later than noon on the day of the valuation, and redemptions at least 31 days before the desired valuation date**.

Subscriptions and redemptions are for a minimum of \$5,000, or \$500 for automatic monthly transactions, for a period of 12 months or more.

Subscriptions and redemptions are completed electronically on the next business day following the valuation. Subscriptions resulting from a transfer between registered accounts will be processed at the valuation following receipt of funds. Outgoing transfers are sent to the receiving institution within a few days of the valuation.

For clients of an advisor from another financial institution, a subscription agreement must be signed by the client at the time of the first purchase with an advisor. A subscription form must be completed for each transaction, and the transaction is settled through FundSERV. The fund codes are BRG100 (CAD) and BRG150 (USD). The initial subscription must represent an acquisition cost of at least \$50,000, and subsequent subscriptions must be at least \$5,000.

## *Distribution*

The distribution is the process by which the gains realized by the Fund during the year (capital gains, dividends and interest), less management and performance fees, are distributed to unitholders on December 31.

The distribution creates a tax impact for unitholders in a non-registered account. Tax slips (T3 and Relevé 16) are sent at the beginning of the year by CIBC Mellon Trust Company for tax filing purposes.

When a distribution occurs, the net asset value of the unit is reduced by the same amount. This will reduce the capital gain at the time of the disposition of the units.

The distribution is automatically reinvested for the purchase of additional units of the Fund, unless otherwise instructed or a written request to receive the cash distribution is sent to Barrage 30 days before the end of the year.

When the distribution is reinvested, the following changes occur:

- The value of the shares is reduced by the amount of the distribution;
- Shares are purchased with the distributed amount;
- The market value of the account remains the same before and after the distribution;
- The book value increases by the amount of the distribution.

## Prospectus exemption

Barrage's clients sign a discretionary portfolio management agreement. This agreement confirms the discretionary management mandate for the growth portion of their portfolio.

The Fund's units are issued under the exemptions available under *Regulation 45-106 - Prospectus exemptions* (Regulation 45-106). Barrage relies primarily on the accredited investor exemption. When Barrage acts as a discretionary portfolio manager for its clients, those clients qualify as accredited investors and are eligible for prospectus exemptions. Barrage may also rely on other prospectus exemptions available under Regulation 45-106.

Consequently, the Fund is distributed without a prospectus, it does not qualify as a reporting issuer and it is not subject to the rules applicable to collective investment schemes distributed by prospectus.

Similarly, advisors authorized to distribute the Fund may do so if they have a discretionary management mandate from their client or if the client qualifies according to the asset or income criteria.

## Content and frequency of reporting

Source	Information	Frequency
<i>CIBC Mellon Trust Company</i>  By mail or online according to customer preference	<i>Account statement.</i>  The value and number of units, the book value, the market value of the account, and the transactions for the month	Monthly
	<i>Confirmation of transaction.</i>  Transaction details	In the days following the transaction
	<i>Annual investment performance report.</i> (Client for 12 months or more)  Market value, deposits and withdrawals, and calculation of the rate of return over 1, 3, 5, 10 years and since the account was opened	In January of each year
	<i>Annual report on charges and other compensation.</i>  Administration, transaction, and commission fees	In January of each year
	<i>Tax slips.</i>	See below
<i>Barrage Capital</i>  By email	<i>Unitholder letter.</i>  Management report and commentary on markets and portfolio securities	In February and August

	<p><i>Audited financial statements of the Fund and portfolio securities.</i></p> <p>Audited by KPMG as of December 31</p>	In March
	<p><i>Unaudited financial statements of the Fund and portfolio securities.</i></p> <p>As of June 30th, not audited</p>	In August
	<p><i>Annual meeting.</i></p> <p>Portfolio presentation and question period</p>	In spring Montreal and Quebec
	<p><i>Website.</i></p> <p>The value of the units, performance of the Fund and the benchmark index.</p>	Monthly

## *Conflict of interest disclosure*

In accordance with applicable securities regulations, Barrage takes reasonable steps to identify existing or reasonably foreseeable material conflicts of interest between the company, its employees and clients.

Barrage addresses these conflicts in the best interests of its clients, or avoids them altogether. Barrage discloses these significant conflicts of interest in writing to the clients concerned.

The following are the significant conflicts of interest identified at Barrage that affect all of its clients. The potential impact or risk for clients is that an investment with another company would have been better or equivalent.

## *Conflict arising from proprietary products*

Barrage offers an exclusive investment strategy through the Fund. The suitability assessment does not take into account all investment strategies available on the market, nor does it consider that some of these strategies might be more suitable for achieving your investment objectives. It is important to note that when Barrage acts as your discretionary portfolio manager, it is required to obtain your consent before investing your assets in the Fund.

Barrage addresses this conflict in the client's best interest by:

- Refusing any potential client who does not fit the investor profile for which Barrage's investment strategy is suitable;
- Clearly communicating to the client that Barrage only offers one value-based investment strategy through the Fund;
- Obtaining your consent to invest your assets in the Fund through the discretionary management agreement;
- Clearly communicating to the client the nature of the investment strategy offered by Barrage and the extent to which such a strategy can fit into their overall portfolio.

### *Conflicts arising from internal remuneration mechanisms and incentive measures*

Because Barrage's portfolio managers are also Barrage's shareholders, their remuneration is linked to revenue, which is derived from assets under management.

Barrage addresses this conflict in the best interests of its clients by leveraging a culture of compliance to support its growth. Client satisfaction, the absence of complaints, and maintaining a good reputation are the priorities for the firm's success and, ultimately, shareholder returns.

### *Conflicts arising from personal transactions*

Shareholders, portfolio managers and employees can personally trade the securities held by the Fund.

Barrage addresses this conflict by maintaining a list of restricted securities based on a capitalization threshold that it deems acceptable so that shareholders, portfolio managers and employees cannot influence the price of securities or benefit from transactions in the Fund.

## *Other information*

### *Tax residence*

Barrage offers its discretionary portfolio management services to residents of the Canadian provinces where it is registered as an advisor and only accepts clients who are Canadian tax residents (and also not U.S. citizens). Clients must self-certify their status when opening an account.

### *Taxation*

Unitholders should expect the following tax impacts, depending on the type of account in which the units are held:

Account type	Tax impacts
Non-registered account	<ul style="list-style-type: none"> <li>• Annual distribution: Capital gain, dividend or interest income (T3 slips and Relevé 16 in Quebec, sent by CIBC Mellon Trust Company at the end of March).</li> <li>• Disposition of units: Capital gain or loss (T5008 slip sent by CIBC Mellon Trust Company at the end of February).</li> <li>• Transfer of units to a registered account: Result in a disposition of the units.</li> </ul>
Tax-Free Savings Account (TFSA)	<ul style="list-style-type: none"> <li>• No tax impact.</li> </ul>
Registered Retirement Savings Plan (RRSP)	<ul style="list-style-type: none"> <li>• Annual RRSP contribution: Tax deductible up to the limit shown on the federal notice of assessment (Tax receipts sent by CIBC Mellon Trust Company in January for the remainder of the preceding year and in March for the first 60 days).</li> <li>• Withdrawal of funds from an RRSP: Taxable income, tax withheld according to the rate in effect at the time of withdrawal (T4RSP slip and Relevé 2 in Quebec sent by CIBC Mellon Trust Company at the end of February).</li> </ul>
Registered Retirement Income Fund (RRIF)	<ul style="list-style-type: none"> <li>• Withdrawal of funds from a RRIF account: Taxable income, withholding tax applied according to the rate in effect at the time of withdrawal (T4RIF slip and Relevé 2 in Quebec sent by CIBC Mellon Trust Company at the end of February).</li> </ul>

Barrage encourages its clients to consult a specialist, such as a tax advisor or accountant, if necessary, in order to obtain tax advice.

### *Fair allocation of investment opportunities*

Barrage deploys its value-based investment strategy only through the Fund and does not manage its clients' assets through segregated accounts, therefore a policy of equitable allocation of investment opportunities is not necessary.

### *Withholding taxes*

The Fund is subject to withholding taxes levied on dividends received from foreign companies at the rate prescribed by the tax law of the country of origin, even if the Fund's units are held in a registered account.

### *Voting rights*

The voting rights conferred by the securities held in the Fund will be exercised in the best interests of the unitholders.

## *Client Referral Agreement*

When a client is referred by another party under a client referral agreement, Barrage pays a referral fee to the other party. The client is informed of the terms of the agreement in a declaration that they sign.

## *Vulnerable client policy*

Barrage may encounter situations where a client is at risk of experiencing financial abuse and situations where a client's vulnerability leads them to make decisions that are contrary to their financial interests, needs, or objectives.

Barrage has implemented a policy towards vulnerable persons which includes:

- The collection of the name and contact details of a trusted person whom Barrage can contact regarding the following:
  - a. Concerns surrounding the potential financial exploitation of the client;
  - b. Concerns surrounding the client's mental capacity to make decisions regarding financial matters;
  - c. The name and contact details of a legal representative of the client, if applicable;
  - d. The client's contact details.
- The possibility of imposing a temporary hold based on a case of financial exploitation of a vulnerable client or a client's lack of mental capacity to make decisions regarding financial matters. When such a situation arises, Barrage notifies the client, specifying the reasons for the hold.

## *Dispute resolution*

A client who feels wronged or believes they have suffered harm may file a written complaint with Barrage, which will process it in accordance with its internal complaints and dispute resolution policy. Our complaints policy is available on our website at [www.barragecapital.com](http://www.barragecapital.com)

However, if this process does not lead to a satisfactory solution, the client who is a resident of Quebec can ask Barrage to transfer their complaint to the Complaints Handling and Assistance Service of the *Autorité des marchés financiers* (Montreal region: 514 395-0337 / Quebec City region: 418 525-0337 / toll-free: 1 877 525-0337).

A client who is a resident of a province other than Quebec may submit their complaint to the Ombudsman for Banking Services and Investments (Toronto area: 416 287-2877 / toll-free: 1 888 451-4519).

These two organizations offer an independent dispute resolution service.

## *Protection of personal information*

Our Privacy Policy is available on our website at [www.barragecapital.com](http://www.barragecapital.com).

## *Barrage Contacts*

4398 Saint-Laurent Boulevard, Suite 304  
Montreal (Quebec), H2W 1Z5

Telephone: 514 903-7243

Fax : 514 439-7806

[info@barragecapital.com](mailto:info@barragecapital.com)

[www.barragecapital.com](http://www.barragecapital.com)