

## Common Concerns Regarding Mutual Funds

**High Correlation to Indices** - Many mutual funds hold investment weightings that are very similar to those of their respective indices. The argument here is that an investor may just purchase an Exchange Traded Fund (ETF), and earn a similar return without having to bear the costs of a Management Expense Ratio (MER).

**Lack of Defense in Bear Market** - The investment mandate of many mutual funds is to outperform their respective benchmarks. This benefits the investor in a bull market, however in a bear market the portfolio may not be protected. For example if the benchmark is down 10%, and the fund is down 5%, then many funds would be considered successful, regardless of the fact that the portfolio lost money.

**Defined Style Base** - Investment styles of managers go in and out of favor.

## What differentiates Lakeview

**Absolute Return Focus** - Our portfolios are focused on positive returns, regardless of the benchmark performance. If and when we do enter into a bear market, you can be assured that we will take the appropriate steps to defend your investment. Due to this strategy, we are willing to keep a low correlation to the markets if needed.

**Capital Protection** - Through the use of stop losses, we will not hold stocks that have lost traction and fallen below their predetermined target level.

**Defensive Use of Cash** - Our mandate provides us an unlimited ability to move to cash. We will adjust our cash position accordingly when our models point to increased market risk. When markets are strong, and we identify an increased number of leading stocks, we will decrease our cash position.

**Active Management** - Our portfolios are monitored on a daily basis and our stop losses are updated on the same frequency. We seek to constantly be invested in leading sectors and companies, and hold a cash position that is representative of our assessment of market risk. We are neither value nor growth. We are style agnostic.

**Private Client** - Style Management - Barometer Capital Management has its own private clients who are invested in the funds. This means that the Portfolio Manager is ultimately answering to their clients. At the end of the day, regardless of the performance of the benchmark, clients do not want to lose money. We understand that.

**Transparency** - We provide weekly disclosure of our holdings and any changes to our portfolios to ensure that we are held accountable for our investment decisions.