



RELATIONSHIP DISCLOSURE DOCUMENT

DECEMBER 2021

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Wellington-Altus Private Counsel Inc. (WAPC) believes the best way to help you meet your financial goals, and for us to keep serving you as a valued client, is to provide you with the account type(s) and access to investments in a way that best suits your needs. We want to help you manage your wealth and invest in the most comfortable way for you, within the changing environment in which we live. We think we can do this most successfully if we both know what to expect from each other. For this reason, we would like you to have a good understanding of the products and services we offer, the features of your account(s) and how it/they operate(s), and our responsibilities to you.

We promote active client participation for a mutually successful relationship. We encourage you to:

- *Keep us up to date. "Clients should provide full and accurate information to the firm and the registered individuals acting for the firm. Clients should promptly inform the firm of any change to information that could reasonably result in a change to the types of investments appropriate for them, such as a change to their income, investment objectives, risk profile, time horizon or net worth."*
- *Remain informed. "Clients should understand the potential risks and returns on investments. They should carefully review sales literature provided by the firm. Where appropriate, clients should consult professionals, such as a lawyer or an accountant, for legal or tax advice."*
- *Ask us questions. "Clients should ask questions and request information from the firm to resolve questions about their account, transactions or investments, or their relationship with the firm or a registered individual acting for the firm."*
- *Stay on top of your investments. "Clients should pay for securities purchases by the settlement date. They should review all account documentation provided by the firm and regularly review portfolio holdings and performance."*

We will update this Relationship Disclosure Document (the RDD) when there are material changes to it by referring you to our website at <https://advisor.wellington-altus.ca/trivestwealth/compliance-policies/>. If you later have any questions related to the contents of this document, or need to change your KYC information, please contact your Portfolio Manager. You will be provided with a copy of the KYC information that we receive from you at the time of account opening and when there are significant changes to the information.

## **Your Account and the Services and Products WAPC Offers**

Here is a summary of the services and products we offer you:

### **Services**

WAPC provides only one type of account which is a managed or fully discretionary account.

### **Products**

We advise on the following types of investment products:

- Cash and cash equivalents
- Fixed income or debt securities
- Equities including warrants
- Investment funds such as mutual funds
- Alternative investments such as options, income trusts, etc.

Your Portfolio Manager can explain these investment products to you, as well as how they work, their risks, potential liquidity or resale constraints and possible returns, and whether they are appropriate for you. For more information, you can also read plain-language investment explanations in "Investments at a Glance" a booklet prepared by the Canadian Securities Administrators for financial consumers like you.

WAPC is registered as an adviser in the category of portfolio manager and investment fund manager and provides portfolio management services on a discretionary basis to retail and institutional investors, including pooled funds. WAPC does not act as a dealer.

You have established an account with your custodian, and you have granted discretionary authority to WAPC. In granting full and complete investment discretion WAPC will supervise and direct the investments in your account(s) in accordance with your investment

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objectives.

## Your Custodians

### Fidelity Clearing Canada

Your assets, unless otherwise indicated below, are held in Canada in a fully disclosed, segregated account at Fidelity Clearing Canada ULC ("FCC"). FCC is an indirect, wholly owned subsidiary of 483 Bay Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. FCC and two other separate related legal entities that are also Canadian securities registrants - Fidelity Investments Canada ULC and Fidelity (Canada) Asset Management ULC - each conducts business under the "Fidelity Investments" brand, which is a trademark of Fidelity Investments Canada ULC. "Fidelity Investments" is also a registered business name of FCC. However, each Canadian securities registrant operates and conducts its business independently of each other. FCC is a member of and regulated by the Investment Industry Regulatory Organization of Canada ("IIROC"). FCC is a qualified Canadian Custodian under applicable securities laws. FCC is independent of WAPC. The assets in your FCC account are never co-mingled with other clients' assets. FCC is a member Canadian Investor protection Fund ("CIPF"). CIPF, subject to condition and limits, safeguards your assets from the insolvency or bankruptcy of an IIROC member firm. You can find more information regarding CIPF at <https://www.cipf.ca>.

Your assets are subject to a risk of loss: (i) if FCC becomes bankrupt or insolvent and CIPF coverage is insufficient to safeguard all your assets held by FCC; (ii) if there is a prolonged and/or unrecoverable breakdown in FCC's information technology systems; and, (iii) due to the fraud, willful or reckless misconduct, negligence or error of FCC. WAPC has reviewed FCC's reputation, financial stability, relevant internal controls and ability to deliver custodial services and has concluded that FCC's system of controls and supervision is sufficient to manage risks of loss to your assets in accordance with prudent business practice. WAPC has reviewed FCC's reputation, financial stability, relevant internal controls and ability to deliver custodial services and has concluded that FCC's system of controls and supervision is sufficient to manage risks of loss to your assets in accordance with prudent business practice.

### NBIN

Your assets are held in Canada in a fully disclosed, segregated account at National Bank Financial ("NBF") acting through its National Bank Independent Network division ("NBIN"), which is an indirect, wholly owned subsidiary of National Bank of Canada ("NBC"). NBIN's offices are located at Suite 3000, 130 King Street West, Toronto, Ontario. NBC is a federally regulated Schedule A bank and a public company listed on the TSX. NBF is a member of and regulated by the Investment Industry Regulatory Organization of Canada ("IIROC"). NBF is a qualified Canadian Custodian under applicable securities laws. NBF is independent of WAPC. The assets in your NBIN account are never co-mingled with other clients' assets. NBF is a member Canadian Investor protection Fund ("CIPF"). CIPF, subject to condition and limits, safeguards your assets from the insolvency or bankruptcy of an IIROC member firm. You can find more information regarding CIPF at <https://www.cipf.ca>.

Your assets are subject to a risk of loss: (i) if NBF becomes bankrupt or insolvent and CIPF coverage is insufficient to safeguard all your assets held by NBF; (ii) if there is a prolonged and/or unrecoverable breakdown in NBF's information technology systems; and, (iii) due to the fraud, willful or reckless misconduct, negligence or error of NBF. WAPC has reviewed NBF's reputation, financial stability, relevant internal controls and ability to deliver custodial services and has concluded that NBF's system of controls and supervision is sufficient to manage risks of loss to your assets in accordance with prudent business practice.

### CQSI

Mutual funds and other securities are offered through Credential Securities, a division of Credential Qtrade Securities Inc. Credential Securities is a registered mark owned by Aviso Wealth Inc. Your assets are held in Canada in a fully disclosed, segregated account at Credential Qtrade Securities Inc. ("CQSI"). Aviso has offices in Vancouver, Toronto, and Montreal and its website is <https://www.aviso.ca/en/>. CQSI is a member of and regulated by the Investment Industry Regulatory Organization of Canada ("IIROC"). CQSI is a qualified Canadian Custodian under applicable securities laws. CQSI is independent of WAPC. The assets in your CQSI account are never co-mingled with other clients' assets. CQSI is a Member of the Canadian Investor Protection Fund ("CIPF"). CIPF, subject to conditions and limits, safeguards your assets from the insolvency or bankruptcy of an IIROC member firm. You can find more information regarding CIPF at <https://www.cipf.ca>.

Your assets are subject to a risk of loss: (i) if CQSI becomes bankrupt or insolvent and CIPF coverage is insufficient to safeguard all your assets held by CQSI; (ii) if there is a prolonged and/or unrecoverable breakdown in CQSI's information technology systems; and (iii) due to the fraud, willful or reckless misconduct, negligence or error of CQSI. WAPC has reviewed CQSI's reputation, financial stability, relevant internal controls and ability to deliver custodial services and has concluded that CQSI's system of controls and supervision is

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sufficient to manage risks of loss to your assets in accordance with prudent business practice.

### **Insurance Products**

Some Managers maintain an insurance license and carry on insurance business outside of WAPC through Wellington-Altus Insurance Inc. (WAll), an insurance company licensed under applicable provincial insurance legislation. WAPC is not licensed to provide any insurance services or advice and has no beneficial interest in WAll or its insurance business (WAll and WAPC are two separate entities). If you are interested in insurance, ask your Manager if he/she can offer insurance products to you.

### **Fees**

The fees that you will be charged on your account are outlined in detail in the Investment Management Agreement (IMA) that you signed with WAPC. Along with the fees and charges referenced in the IMA, ongoing fees can reduce the value of your investment portfolio. This is particularly true over time, because not only is your investment balance reduced by the fee, but you also lose any return you would have earned on that fee. Over time, even ongoing fees that are small can have an impact on the value of your investment portfolio.

### **Fee Transparency Statement**

Fees may also be charged within mutual funds, ETFs, and other products that WAPC offers, which fees will vary based on the constituent product invested within the account.

### **Types of Fees for Full-Service Accounts**

Fees for full-service accounts fall into two categories:

- i. Embedded fees and commissions
- ii. Managed account fees

### **Embedded Commissions and Fees**

These fees and commissions do not appear on trade confirmations and they are the least transparent method of payment. The most common of these are the Annual Service Fees on mutual funds. These fees and commission are fully disclosed to clients in each mutual fund prospectus and are further disclosed as part of each mutual fund's Management Expense Ratio (MER). A comparison of an F Series versus DSC Series for the same mutual fund quantifies the embedded amount of fees and commissions. If you need assistance in determining this amount, your Portfolio Manager will be pleased to assist you.

Since embedded commissions and fees form part of a mutual fund's MER, these costs are deducted against interest, dividends and capital gains generated by those mutual funds. To the extent that mutual funds generate income in excess of the DSC and Service Fees, the DSC and Service Fees are fully tax deductible by the mutual funds in the current year. You can measure the extent of tax deductibility by reviewing your T3 slips from the mutual fund you own. If you did not receive a T3 slip from the mutual fund, then the DSC and Service Fees likely exceeded the income inside the mutual fund. The excess is generally carried forward by the mutual fund and may be available as a deduction against income of the mutual fund at a future time.

In addition to the DSC and Service Fees, New Issues and Principal Trades have embedded commissions. If such an event occurs, please speak with your Portfolio Manager to determine the embedded cost. When you buy certain fixed-income products, our Custodians may act as principal. WAPC does not share in any price mark-up charged by our Custodians. Embedded New Issue commissions are disclosed in each new issue prospectus. If you are unable to determine the amount of commission disclosed in the prospectus, please speak with your Portfolio Manager.

In all cases, New Issues and Principal Trade embedded commissions form part of your tax cost base for such security.

### **Managed Account Fees**

These fees are based on a percentage of the value of an account. Fees are generally charged monthly, but may also be charged quarterly or annually, and appear on client statements. Generally speaking, this is a relatively tax-advantaged method of payment; however, there may be potential tax ambiguity for clients to consider.

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In addition to the fees you pay to WAPC, WAPC may also receive compensation from third parties such as commissions paid directly to WAPC by the issuer of the securities when WAPC acts as an underwriter of the securities (purchasing securities from the issuer to resell them to the public). These commissions will be described in the prospectus or other securities documents. In the case of restructurings or reorganizations, certain issuers may pay WAPC a solicitation fee to compensate the Portfolio Managers for their work in getting investors to vote their proxies. There may be other situations where WAPC receives compensation from a third party on transactions in your Account. We will notify you if such a situation gives rise to a material conflict of interest.

The tax deductibility of these fees is discussed in Canada Revenue Agency (CRA) Interpretation bulletin IT-23852. CRA's position is that amounts attributed to order execution and trading commissions are specifically not tax deductible. The portion of the Fee-Based Account charge that is tax deductible is the amount attributable to investment advice and ancillary services as detailed in IT-238R2. WAPC and/ or its employees make no representation or warranty as to the position CRA may take regarding tax deductibility of fees charged.

### **Interest Charge**

If your account is in a debit position, we will deduct an interest charge from these accounts. The interest rates are available upon request.

### **Foreign exchange**

Exchange rates are available upon request.

### **Service Charges and Fees**

Please see our brochure or visit our website at [www.wellington-altus.ca](http://www.wellington-altus.ca).

## **How Wellington-Altus Assesses the Suitability of your Investment(s)**

Before we purchase, sell, withdraw, exchange or transfer out securities for your account, take any other investment action for you, or exercise discretion to take any such action (an "investment action"), we will determine on a reasonable basis that such action is suitable and puts your interests first. This determination will be based on your personal and financial circumstances, investment needs and objectives, investment time horizon, risk profile, and investment knowledge as we describe below.

That is why keeping your KYC information up to date and accurate is very important for us, on an ongoing basis, to assess the suitability of the investments in your account.

The suitability factors that guide us in our decision about an investment's suitability include what we understand to be your current financial situation, investment knowledge, time horizon, risk profile, and investment objectives.

### **Personal Circumstances**

For individuals, this includes date of birth, address and contact information, family situation, dependents, employment status, other individuals authorized to provide instruction on the account, and whether someone other than you have a financial interest in the account.

For non-individuals, this includes: legal name, head office address and contact information, type of entity, details of organization of the entity, nature of business, individuals authorized to provide instructions on the account, and whether someone other than you has a financial interest in the account.

### **Financial Circumstances**

This information includes, where applicable: annual income, liquidity needs, financial assets, net worth, whether you are using leverage or margin to finance the purchase of the investments.

### **Investment Knowledge**

To assist your Manager in describing your level of your investment experience, the following guidelines are set out. It is expected that over a period with increasing exposure to various investment products, your level of experience could increase. Generally speaking, investment knowledge will include your understanding of:

- Financial Markets
- Relative risk and limitations of various types of investments, and
- How the level of risk taken affects potential returns

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Your level of investment knowledge can be characterized by the following four categories:

- **Sophisticated**

You have traded in most types of investment products. This would include knowledge of alternative investments (options, futures and other derivatives, commodities, private equity, hedge funds, etc.), speculative and short selling strategies and an appreciation the risks and rewards involved in trading these securities

- **Good**

You have either traded in or have some knowledge of the basic characteristics of investment securities, as well as basic understanding of the degree of risk and reward inherent in these types of securities.

- **Limited**

You have some investment experience but may not have a full understanding of the basic characteristics of the various types of securities and the degree of risk associated with these securities.

- **Poor/None**

You have very limited or no knowledge of the basic attributes of investment securities.

### **Time Horizon**

The time horizon should be determined by considering when you will need to access some or all the money in your account(s).

It should be indicated by one of the following ranges:

- Under 3 years
- 3-5 years
- 6-10 years
- 11-20 years
- Over 20 years

### **Risk Profile**

In establishing your risk profile, we are seeking to confirm:

- Your willingness to accept risk, sometimes referred to as risk tolerance; and
- Your ability to endure financial loss, sometimes referred to as risk capacity.

The risk rating of the investments in your accounts should be consistent with your risk profile.

- **Low.** You are willing to accept little or no risk to your principal declining in value. This may mean that your returns may not keep pace with inflation. Investments consistent with a low risk profile are those with historically below average price volatility and relatively low rates of return. They can usually be redeemed or sold with little or no impact on price and generally include Government of Canada and provincial bonds, as well as investment funds that invest most of their assets in these types of investments.
- **Medium.** You are willing to accept some risk to your initial principal and tolerate some volatility to seek higher returns. You understand you could lose a portion of your money invested. Investments consistent with a medium risk profile have historically demonstrated average price volatility and average rates of return. They can usually be redeemed or sold in a reasonable amount of time with little or no impact on price and generally include quality corporate and foreign bonds, quality large capitalization stocks, and investment funds that invest the majority of their assets in these types of investments.
- **High.** You are willing to accept higher risk to your principal, including higher volatility, to seek higher returns over time, and understand that you could lose a substantial amount or potentially all your money invested. Investments consistent with a high-risk profile have historically demonstrated above-average price volatility and higher rates of return. They generally include most high-yield bonds or those with low credit ratings, most small capitalization stocks, some hedge funds, other alternative investments

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(which may be complex or otherwise synthetically devised or created products) and other investments which may be considered speculative.

### **Investment Needs and Objectives**

Your investment needs and objectives are the financial goals you want to achieve with your investments and are reflected in your target investment mix.

- Capital Preservation. You want to preserve your capital or create a source of periodic income.
- Conservative. You want to mainly preserve your capital but have the possibility of growing it minimally.
- Balanced. You give equal importance to creating a source of income and growing your capital.
- Growth. You want to grow your capital and are willing to lose some (but not all) of your capital.
- Maximum Growth. You want to maximize the growth of your capital and are willing to lose some or all your capital.
- Speculative. You want significantly above-market growth and are willing to lose all your capital.
- Other. You have other investment objectives, so your Manager will determine the appropriate target investment mix with you.

When WAPC takes an investment action for you, we will review each investment action in the context of the KYC suitability factors. Our understanding of your KYC suitability factors is critical in helping us recommend the proper investment mix for your account(s).

In addition to the suitability determination process described above, WAPC will also assess the suitability of your investments in your account:

- When an investment action is taken
- When securities are transferred or deposited into your account
- When there is a change in the registered representative handling your account
- When there is a material change in your KYC information
- When we become aware of a change in a security held in your account that could result in the security no longer being suitable
- With respect to your account, not less frequently than 12 months.

If, during the suitability review, we identify any concerns, we will discuss them with you, document our discussion, and, if we are strongly concerned with your decision to proceed with the investment, we may refuse to execute the transaction or to terminate our relationship.

WAPC will not review the investments held in your account(s) in the event of a major market correction or any other factors not described above. However, your Manager is ready to discuss the effect of market fluctuations on your portfolio with you when you request.

### **Risks to Consider**

The following are potential risks to consider:

Market risk - The market value of your investments will rise, and fall based upon company-specific developments and general stock and bond market conditions.

Credit risk - The risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered.

Liquidity risk - The risk that a security may not be able to settle or meet its obligation on time or at a reasonable price.

Currency risk – If you hold an investment priced in a foreign currency and the exchange rate between the Canadian dollar and the foreign currency changes unfavourably, it could reduce the value of your investment. Of course, changes in the exchange rate can also increase the value of an investment.

Interest rate risk - Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of

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financial instruments.

Foreign investment risk – Investments in foreign companies are influenced by economic and market conditions in the countries where the companies operate. Some countries have lower standards for accounting, auditing and reporting and are less politically stable than Canada. In some countries, there is a risk of nationalization, expropriation or currency controls. It can be difficult to trade investments on foreign markets and the laws of some countries do not fully protect investor rights. U.S. investments are not considered to have foreign investment risk.

Alternative Asset Class Risk – The Manager may from time-to-time invest a portion of your assets in alternative asset classes, including, but not limited to, real estate, hedge funds, and private placements. These assets can be illiquid, volatile, and possibly subject to mispricing or improper valuation, and as a result may be considered very risky.

Derivatives Risk - The Manager may from time-to-time employ the use of derivatives as part of its trading strategy. Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. Derivatives are subject to several risks, such as interest rate risk and market risk. They also involve the risk of mispricing or improper valuation, the risk that changes in the value of the derivative may not correlate perfectly with the underlying reference security and, in over-the-counter transactions, the risk that the counterparty may not honour its obligation. Derivatives may be highly illiquid, and the use of derivatives could result in a loss of more than the principal amount invested.

### **Risks specific to WAPC Pools**

Exclusivity – WAPC Pools are only for WAPC clients. Should you cease to be a client of WAPC and transfer your portfolio to another institution, the WAPC Pool will be liquidated, which will result in a taxable gain or loss that might not otherwise be triggered if you were invested in individual securities.

Limited Liquidity – In order to save costs, the WAPC Pools allow for purchases and redemptions monthly. As such, if you had an immediate need for cash, you would have to wait up to a month to enter the redemption and the funds will be available three business days following the redemption.

Large redemption risk – Certain clients may own a larger percentage of a WAPC pool, though generally not more than 10% of the units of the pool. If one of those investors redeems a large amount of their investment, the pool may have to sell its portfolio investments at unfavourable prices to meet the redemption request. This can result in significant price fluctuations to the net asset value of the pool and may potentially reduce the returns of the pool.

### **Risks of the Use of Borrowed Money to Invest**

Using borrowed money to finance the purchase of securities, including investments or accounts with WAPC involves greater risk than a purchase using cash only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains even if the value of the securities purchased declines. The use of leverage may not be suitable for all clients. The purchase of securities using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. If you borrow money to purchase securities, you are responsible for repaying the loan and paying interest as required even if the value of the securities purchased with borrowed money declines. In the case of a margin account, you are also required to satisfy any margin calls as required by the terms of the margin facility granted to you. If there is insufficient cash in the margin account, the custodian may sell securities in the account, in which case trading commissions will also apply.

## **Trusted Contact Person and Temporary Holds**

### **Trusted Contact Person**

By choosing to provide information about a trusted contact person, you authorize WAPC to contact the trusted contact person and disclose information about your accounts to that person in the following circumstances:

- (a) possible financial exploitation of yourself;
- (b) concerns about your mental capacity as it relates to your financial decision making or lack of decision making;
- (c) the name and contact information of any of the following:



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- a. a legal guardian of yourself,
  - b. an executor of an estate under which you are a beneficiary;
  - c. a trustee of a trust under which you are a beneficiary, or
  - d. any other personal or legal representative of yourself; or
- (d) your current contact information.

### **Temporary Holds**

A temporary hold means a hold that is placed by WAPC on the purchase or sale of a security on your behalf or on the withdrawal or transfer of cash or securities from your account.

WAPC will not place a temporary hold on your accounts unless we reasonably believe that:

- (a) you are a vulnerable client;
- (b) you have been financially exploited, financial exploitation is occurring, has been attempted or will be attempted; or
- (c) we reasonably believe that you do not have the mental capacity to make decisions involving financial matters.

Should a temporary hold be placed on your accounts we will provide you notice of the temporary hold and the reasons for the temporary hold as soon as possible. We will continue to review the relevant facts on an ongoing basis in order to determine if continuing the hold is appropriate. Within 30 days of placing the temporary hold and, until the hold is revoked, we will update you on a monthly basis to inform you if we have revoked the temporary hold or provide you with notice of our decision to continue the hold, and the reasons for that decision.

### **Reports**

These are reports we will provide to help you monitor your financial assets and their performance as well as the fees and charges you pay us or to third parties through us.

Account statements. We will mail you a quarterly statement for March, June, September and December and for each month in which a transaction occurs.

Performance. We will mail you an annual report of the investment performance in January of each year for the prior one-year period. We will also make available to you information related to your account percentage return as a part of our account service offering.

Fees and charges paid. We will mail you an annual report of the fees and charges in January of each year for the prior one-year period.

Future reporting enhancements. We regularly look at ways to improve the reporting and documents we provide to you, to make them more informative, clear and useful for you and other clients.

### **Investment Performance Benchmarks**

Comparing your portfolio's performance to that of an appropriate benchmark is a useful exercise for monitoring purposes. Benchmark comparisons can help you determine if your investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the longer term.

Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indices, since the most common form of investment benchmarks is an index—such as a stock or bond index. A benchmark must replicate the security or portfolio you are monitoring as closely as possible for the comparison to be meaningful. Examples of benchmarks would include the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for US stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighted according to the portfolio's asset mix. For more information about comparing your portfolio's return to a benchmark, please don't hesitate to contact your Manager.

### **Complaint Handling Procedures**

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Complaints must be directed to our Designated Complaints Officer (DCO).

Toll-free Phone: 1.888.315.8729

Email: [dco@wprivate.ca](mailto:dco@wprivate.ca)

Mail: 201 Portage Ave., 25<sup>th</sup> Floor, Winnipeg MB, R3B 3K6

The DCO will send you an acknowledgement letter within five business days of receiving your complaint. In this acknowledgement letter, the DCO may request additional information to investigate your complaint. The DCO will provide you with a substantive response within ninety (90) calendar days of receiving your complaint. If the DCO is unable to respond to your complaint within the above time frame, you will be provided with a written explanation. In the decision letter, the DCO will provide you with a summary of your complaint, the results of the investigation, an explanation of the final decision, and other options you may have for seeking compensation, if you are not satisfied with the response.

### **OBSI**

If you are dissatisfied with WAPC's response, WAPC will advise you that you may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI) and the steps that you must take in order for the services to be made available to you. OBSI may be contacted by email at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or by telephone at 1-888-451-4519. OBSI works confidentially, in an informal manner and a lawyer is not required. OBSI will investigate your matter and may interview the Client and representatives of WAPC. WAPC will cooperate with OBSI's investigations. OBSI will then provide its recommendation which is not binding on WAPC. For more information regarding OBSI, please view the OBSI website at [www.obsi.ca](http://www.obsi.ca).

### **Fair Allocation of Investment Opportunities**

WAPC policy is that no single client Account managed by a Portfolio Manager will receive preferential treatment in the allocation of investment opportunities over any other client Account managed by the same Portfolio Manager. When orders for more than one client Account are entered as a combined order and the transactions are all executed at the same price, each client Account will be given the same execution price. When orders for more than one client Account are entered as a combined order, and the transactions are executed at varying prices, allocation will be determined by WAPC on a fair and reasonable basis in the context of the particular transaction. This may include calculating a weighted average execution price to be attributed to all client Accounts having orders included in the combined order. When orders for more than one client Account are entered as a combined order, and less than the total order is executed as a block, WAPC uses a fair and reasonable basis for allocating the partial fill on a pro rata basis to its client Accounts. WAPC also takes into consideration the proportion of the portfolio that the security represents, the weight of the industry or security type in the portfolio and the cash reserve position in each client's respective Account(s).

### **Soft Dollar Arrangements**

Currently, WAPC does not participate in any soft dollar arrangements. Should WAPC participate in soft dollar arrangements, the arrangements must meet the conditions outlined in the legislation to ensure the general obligation of the portfolio manager is to act in the best interest of the beneficiaries of the portfolio or fund. Accordingly, such commissions must only be used as payment for goods or services that are for the benefit of the beneficiaries and will not be used as payment for goods or services that are for the benefit of the manager.

## **Conflicts of Interest**

### **General Description**

Actual, potential and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different. For instance, WAPC is a for-profit business and has a responsibility to maximize returns for our shareholders. As well, WAPC has various other stakeholders, all of whom rely on WAPC to operate profitably to honour the interest of those stakeholders and pursuant to securities industry financial compliance regulations. We believe the best way to achieve our goals is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals. This is the best way to retain your continued patronage and in turn encourage you to recommend our services and products to others.

Any material conflicts or those that are reasonably foreseeable as described below, which are not avoidable, will be addressed in your best interest and disclosed where required in a timely manner, once we have identified the conflict.

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In addition to our objective of serving your financial goals in alignment with our business interests, Canada has comprehensive and extensive securities rules and regulations, many of which are designated to protect client and investor interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Investment Industry Regulatory Organization of Canada (IIROC) for more information about how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

## **General Types of Conflict of Interest**

We provide a broad range of services in investment management and retail client services and products. We recognize that some of these activities are more susceptible to conflicts of interest than many other commercial activities, since we may periodically represent both sides of a transaction; namely, the buyer and seller. As an IB, we will have fewer cases of such conflicts of interest than an integrated firm. In fact, our business model to be an IB was largely driven by our deliberate choice to reduce potential conflicts of interest with our retail investing clients. Nonetheless, conflicts of interest may still arise despite our desire to limit them.

The general types of conflicts of interest which can arise are:

- Conflicts of interest between you and us,
- Conflicts of interest between you and other clients, and
- Conflicts of interest between us and our related and associated companies

## **Management of Conflicts of Interest**

In general, we deal with and manage relevant conflicts using broad principles, described as follows:

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that either cannot effectively be addressed or are difficult to address in practice without the expenditure of substantial human and capital resources. Examples of avoided conflicts are tied selling, proprietary trading and the provision of proprietary research.
- **Control:** We manage acceptable conflicts through several means, depending on the conflict. Management tools may include: (i) internal audit processes to ensure that specific disclosure of conflicts as described in this document, or supplemental disclosure forms, are actually provided to client, either at the time of account opening or prior to the entry of a transaction order, as applicable; (ii) employing a compensation structure within WAPC that does not incentivize Managers to favour one product over another through differential payout of the gross fees and commissions received by WAPC; (iii) where available and within the context of WAPC supervision Policies and Procedures, use of electronic and manual surveillance to monitor the application of conflict control measures; and (iv) physically separating different business functions and restricting the internal exchange of information.
- **Disclosure:** The primary method of conflict management is to provide you with disclosure and information about conflicts. This enables you to assess independently their significance when evaluating our recommendations and determining your course of action.

Specific discussions on an issue-by-issue basis about management of conflicts follow. The information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. If you have any questions or concerns, whether they involve conflicts of interest or any other matter, do not hesitate to ask your Manager for an explanation and more information. If you are not satisfied with the response, you should contact our Chief Compliance Officer.

## **More information**

You are encouraged to proactively involve yourself to better understand issues relating to conflicts of interest. Please refer to the websites and publications of the Provincial Securities Commissions as well as the CSA websites for more information about how Canadian securities regulations address conflicts of interest to safeguard the investing public. We document our core values, including general standards for how we deal with conflicts of interest in our internal Policies and Procedures.

## Possible Conflicts of Interest and How They Are Managed

### Ongoing Conflicts of Interest

Conflict of Interest	Our Commitments
We earn compensation by providing you products and services.	<ul style="list-style-type: none"> <li>We endeavor to be transparent in disclosing fees and other compensation to fully inform you in advance so that you know what you will be paying.</li> </ul>
Different products and services have differing levels of compensation.	<ul style="list-style-type: none"> <li>Our compensation is disclosed to you and we offer options intended to minimize and address any conflicts.</li> <li>We are required by industry regulations and firm policy to make only suitable investment recommendations that are consistent with your 'Know Your Client' parameters.</li> <li>We may choose not to offer a complex product that carries higher fees.</li> </ul>
Our compensation may involve payments that may be based on sales volume.	<ul style="list-style-type: none"> <li>We offer managed accounts, as well as other products such as no-load mutual funds, which have pricing structures designed to reduce fees paid by the client.</li> <li>We offer competing fee options that may not necessarily be tied to sales volume and that may be more advantageous to certain clients under certain circumstances.</li> <li>We have policies and procedures prohibiting recommendations solely for the purpose of generating fees.</li> <li>We are required by industry regulations and firm policy to make only suitable investment recommendations that are consistent with your 'Know Your Client' parameters.</li> </ul>
We may recommend that you use more of our internal services and buy more of our internal products.	<ul style="list-style-type: none"> <li>We do not engage in "tied selling" which is prohibited by regulation and firm policy.</li> <li>We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any actual or potential benefit to you.</li> <li>The firm has compliance programs to monitor Portfolio Managers to identify and address concerns.</li> </ul>
We may recommend that you use more products and services from external organizations.	<ul style="list-style-type: none"> <li>Referral arrangements with other organizations or groups are disclosed to you and require your prior written consent to implement.</li> <li>We have policies and procedures in place to review and monitor referral arrangements.</li> <li>We have policies and procedures prohibiting recommendations solely for generating revenue for us without any actual or potential benefit to you.</li> </ul>

<p>We have discretion or control over transactions in your account.</p>	<ul style="list-style-type: none"> <li>• Regulations require that we disclose and obtain your specific approval to purchase securities of related and connected entities when we have discretionary power to do so.</li> <li>• Regulations require that we disclose and obtain your specific approval to purchase securities from issuers for whom we are offering securities as a syndicate agent when we have discretionary power to do so.</li> <li>• We are required by industry regulations and firm policy to ensure that the investments you hold are consistent with your 'Know Your Client' parameters.</li> </ul>
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**Potential Conflicts of Interest**

Conflict of Interest	Our Commitments
<p>Our compensation, organizationally and individually, may be dependent on the valuation of your account and our compensation may impact the valuation of your account.</p>	<ul style="list-style-type: none"> <li>• We endeavor to be transparent in disclosing fees and other compensation to fully inform you in advance so that you know what you will be paying.</li> <li>• The valuation of your account is largely determined by independent third parties, such as your Custodian.</li> <li>• We are required by industry regulations and firm policy to make only suitable investment recommendations that are consistent with your 'Know Your Client' parameters.</li> </ul>
<p>Fees for similar services may vary depending on your agreement with your Portfolio Manager.</p>	<ul style="list-style-type: none"> <li>• We endeavor to be transparent in disclosing fees and other compensation to fully inform you in advance so that you know what you will be paying.</li> <li>• We have policies in place relating to the fee structure on accounts.</li> </ul>
<p>Fees for similar services may vary depending upon your specific circumstances.</p>	<ul style="list-style-type: none"> <li>• Some of our fees may be negotiable and may vary based on independent discussions between you and your Portfolio Manager.</li> <li>• We have policies in place relating to the fee structure on accounts.</li> </ul>
<p>We would like you to use more of the products and services offered through our associated companies. Our associated companies include, but are not limited to: Wellington-Altus Private Wealth Inc., Wellington-Altus Insurance Inc., Wellington-Altus USA Inc.</p>	<ul style="list-style-type: none"> <li>• We are required by industry regulations and firm policy to make only recommendations that are suitable to your personal circumstances.</li> </ul>
<p>Some of our Portfolio Managers receive compensation for referring you to another person either within or outside of the firm to conduct various transactions.</p>	<ul style="list-style-type: none"> <li>• All referral arrangements where the Portfolio Manager receives compensation from another party are formalized in writing and the fees are fully disclosed to you in writing.</li> <li>• We have policies and procedures in place to review and monitor referral arrangements.</li> </ul>

<p>We may need to select which clients will be offered certain securities if availability is limited.</p>	<ul style="list-style-type: none"> <li>• We have a “fair allocation” policy for managed accounts. This is outlined in our RDD.</li> <li>• For corporate finance deals, trade allocation will be determined by us in accordance with internal procedures.</li> <li>• We are subject to regulatory requirements that ensure best execution and market integrity.</li> </ul>
<p>We may need to select the order in which clients’ trades are executed.</p>	<ul style="list-style-type: none"> <li>• We have a “fair allocation” policy for managed accounts. This is outlined in our RDD.</li> <li>• For corporate finance deals, trade execution will be determined by us in accordance with internal procedures.</li> <li>• We are subject to regulatory requirements that ensure best execution and market integrity.</li> </ul>
<p>Portfolio Managers and other individuals within the firm may periodically receive gifts for business reasons.</p>	<ul style="list-style-type: none"> <li>• We prohibit Portfolio Managers and staff from accepting or providing gifts that exceed a nominal value.</li> <li>• We have procedures in place to monitor and ensure Portfolio Managers and staff are abiding by our corporate policy.</li> </ul>
<p>Marketplaces may provide compensation for trade execution.</p>	<ul style="list-style-type: none"> <li>• We do not receive compensation from Marketplaces. Trade execution is a function performed by our custodians on our behalf.</li> <li>• We will disclose to you any ownership interest we may have in marketplaces should such ownership arise.</li> <li>• We currently have policies and procedures for trade order routing exclusively through our custodians for all client accounts.</li> <li>• Industry regulations dictate our best price and best execution obligations to you.</li> </ul>
<p>We may allow individuals who are employed by us (including your Portfolio Manager) to be employed by, participate in, or accept compensation from other persons or organizations, outside the scope of his/her relationship with us.</p>	<ul style="list-style-type: none"> <li>• These relationships are subject to industry and regulatory requirements that provide guidance on expectations related to Outside Business Activities.</li> <li>• In certain cases, Portfolio Managers are required to provide you notification in writing of dual employment.</li> <li>• We have policies and procedures in place to review, make decisions and monitor any Outside Business Activities.</li> </ul>
<p>Portfolio Managers registered with us may also be registered with another registered firm related to WAPC and provide services to clients of that firm.</p>	<ul style="list-style-type: none"> <li>• These relationships are subject to regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm.</li> <li>• We are required to report to regulators all Portfolio Managers who are licensed with multiple entities.</li> <li>• We have policies and procedures in place to review and monitor these arrangements.</li> </ul>
<p>Employees of WAPC may hold a passive minority interest in a registered sub-advisor chosen by your Portfolio Manager. In those cases, the sub-advisor may be deemed to be related to WAPC.</p>	<ul style="list-style-type: none"> <li>• All related or connected relationships are outlined fully in the RDD.</li> </ul>

<p>We are paid by issuers of securities when we participate in syndicates and sell newly issued securities to you.</p>	<ul style="list-style-type: none"> <li>• WAPC may participate in “bought deal” syndicates where we are obligated to buy a share of a syndicated new issue and then resell the securities that we own to our clients.</li> <li>• Offering documents provide full disclosure of all relationships we may have with the issuer.</li> <li>• When the offering is a non-brokered Private Placement for sale to accredited investors, we receive a commission paid by the issuer. You will be provided with full disclosure of any relationships we may have with the issuer.</li> </ul>
<p>We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as “trailer fees” on mutual funds and commissions and “trailer fees” on segregated funds and insurance policies.</p>	<ul style="list-style-type: none"> <li>• We disclose to you the situations and types of third-party compensation we may receive.</li> <li>• Securities regulations require issuers to provide specific disclosure in the offering document of such arrangements and the compensation we may receive.</li> </ul>
<p>If you hold a security of a public issuer that is involved in a takeover bid, corporate reorganization, solicitation of proxies or other corporate actions, we may receive requests from issuers or others, to solicit your proxy and/or vote on your behalf.</p>	<ul style="list-style-type: none"> <li>• Securities regulations require specific disclosure by the issuer for these types of arrangements.</li> <li>• We have proxy voting policies to vote in our clients’ best interests.</li> <li>• We do not accept payment for proxy solicitations and will not dictate your vote choice on the proxy request.</li> </ul>
<p>Individuals who are registered or employed with us may participate in non-brokered private placements in advance of the shares being available on public markets.</p>	<ul style="list-style-type: none"> <li>• Portfolio Managers or employees participating in these transactions are required to report their investment to the firm.</li> <li>• We review and pre-approve all transactions in non-brokered private placements.</li> </ul>
<p>We may have access to commercially sensitive or inside information.</p>	<ul style="list-style-type: none"> <li>• We may decline to provide a service to avoid insider trading provisions in securities legislation.</li> <li>• We have specific procedures for responding to conflicts of interest that involve inside information and for complying with insider trading provisions.</li> </ul>

The securities laws of the Canadian provinces require securities dealers and advisors, when the trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties, are related or connected to them, to do so only in accordance with particular disclosure and other rules. These rules require dealers, and advisors, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal advisor.

Pursuant to securities law, which requires disclosure of relevant relationships with issuers of securities, please be advised:

1. Employees of WAPC may be directors and/or officers of public and private corporations, which may be deemed to be connected issuers to WAPC.
2. WAPC or entities related to WAPC may, from time to time, act as an advisor, dealer or underwriter for the above companies. We may also act as agent for clients who buy or sell share units or other forms of securities for the above clients.
3. An employee of a related entity, Wellington-Altus Private Wealth Inc. (“WAPW”) holds a passive minority interest in Emerge Capital Management Inc., a sub-advisor on WAPW’s SMA platform. Emerge Capital Management Inc. has a sub-advisory relationship with ARK Investment Management LLC.

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4. An employee of a related entity, Wellington-Altus Private Wealth Inc. ('WAPW') holds a passive minority interest in Hamilton ETFs, a financial services firm offering ETFs to Canadian investors. Hamilton ETFs are available for purchase at WAPW.
  5. An employee of a related entity, Wellington-Altus Private Wealth Inc. ('WAPW') holds a passive minority interest in Evolve ETFs, a financial services firm offering ETFs to Canadian investors. Evolve ETFs are available for purchase at WAPW.

**Potential conflicts may arise from:**

- Gifts and entertainment from third parties with which WAPC has active or potential business relationships
- Directorships with other firms or other organizations
- Connections to outside political or charitable activities
- Other outside of WAPC activities
- Interests in the business of a supplier, contractor, competitor, etc.

These types of potential conflicts and any other existing or potential conflicts of interest, where not avoided, are monitored and supervised by WAPC on an internal basis and, appropriate, will be disclosed to clients as they arise.

For current and comprehensive information relating to the material conflicts of interest that may exist between you and WAPC please visit our website at <https://advisor.wellington-altus.ca/trivestwealth/compliance-policies/> or contact our Chief Compliance Officer. Any future material conflicts of interest situations, where not avoided, will be disclosed as they arise.