



Conflicts of Interest Disclosure | August 2024

Actual, potential and perceived conflicts of interest are not uncommon. Our relationship with you is no different. We provide a broad range of services in investment management and retail client services and products. We recognize that by definition some of these activities are more susceptible to conflicts of interest than many other commercial activities, since in rare circumstances, we could represent both sides of a transaction; namely, the buyer and seller. As a registered investment adviser, we will generally have fewer cases of such conflicts of interest in comparison to a fully integrated firm. Nonetheless, conflicts of interest could still arise.

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;
- Conflicts of interest between us and our related and associated companies forming part of the Wellington-Altus Group of Companies (see below); and
- Conflicts of interest arising as a result of the fact that your Investment Advisor Representative ("Advisor") (and, potentially, some other employees) are shareholders of the parent company of the Wellington-Altus Group of Companies and could indirectly benefit from the financial success of such related and associated companies.

The U.S. Securities and Exchange Commission ("SEC") has comprehensive and extensive securities rules and regulations, many of which are designed to protect client and investor interests, including the management of conflicts of interest. We encourage you to you refer to the websites and publications of the SEC for more information on these requirements.

Management of Conflicts of Interest

In general, we deal with and manage material 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 particular 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 the client, either at the time of account opening or prior to the entry of a transaction order, as applicable; (ii) use of electronic and manual surveillance to monitor the application of conflict control measures, and (iii) physically separating different business functions and restricting the internal exchange of information.

Disclosure: The disclosure method of conflict management is to provide you with the necessary disclosure and information about potential or existing conflicts, enabling you to assess independently their significance when evaluating our recommendations.

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 in a way that protects your interests and places them ahead of ours. Included in the discussion of each conflict is detail regarding the potential negative consequences of each conflict or potential conflict of interest which is intended to aid you in understanding the specific risks of such conflict or potential conflict. Where conflicts of interest arise during our relationship, WA USA will address such conflicts in your best interest.

Relationship with Wellington-Altus Group of Companies

Wellington-Altus USA Inc. (WA USA) is a subsidiary of Wellington-Altus Financial Inc. (WAFI) and is a member of the Wellington-Altus Group of Companies, which operate a diversified financial services business. WA USA's affiliated entities include:

1. WAFI, the parent company;
2. Wellington-Altus Private Counsel Inc (WAPC);
3. Wellington-Altus ICPM Inc.;
4. Wellington-Altus Private Wealth Inc. (WAPW);
5. Wellington-Altus Insurance Inc. (WAI);
6. Wellington-Altus Group Solutions Inc. (WAGS);
7. Independent Advisor Solutions Inc. (IAS); and
8. Wellington-Altus Shared Services Inc. (WASSI).

All WA USA Advisors (and, potentially, some other employees) own an interest in WAFI, the parent company of the Wellington Altus Group of Companies. In the course of our relationship with you, we may recommend that you enter into transactions or arrangements with other Wellington-Altus Group of Companies.

Specifically:



- a) You may receive a recommendation to purchase (or, alternative, your Advisor may include in your managed portfolios, products that are portfolio managed by a portfolio manager who is an employee of and advisor in WAPW;
- b) You may receive an opportunity to purchase insurance products from WAI;
- c) You may receive an opportunity to purchase group insurance or group retirement/benefits from WAGS;
- d) You may receive an opportunity to purchase (or, alternatively, your Advisor may include in your managed portfolios, our Platinum Private Portfolios
- e) Certain corporate or administrative services may be delivered through WASSI, which could jointly and simultaneously support more than one of the Wellington-Altus Group of Companies.

As a result of an ownership stake in WAFI, your Advisor (and, potentially, some other WA USA employees) would indirectly benefit from the financial success of such companies arising from such recommendations and/or decisions.

WA USA may receive services from, or provide services to, other members of the Wellington-Altus Group of Companies, including sub-advisory services from iAS. WA USA or its employees may receive compensation for providing services or products to you from other members of the Wellington-Altus Group of Companies. In such circumstances, there may be a perception that WA USA will put the interests of the Wellington-Altus Group of Companies ahead of the interests of its clients and will recommend unsuitable products and services to benefit the Wellington-Altus Group of Companies.

Your Advisor is required to recommend products and services to you based on your needs, not to meet business targets, and must comply with WA USA's policies, including making suitable recommendations and putting your interest first. The Wellington-Altus Group of Companies are separate legal entities with entity-specific compliance procedures and requirements. WA USA will only enter into arrangements or transactions with other members of the Wellington-Altus Group of Companies where permitted under securities laws and where any material conflicts are fully disclosed to you and we have taken appropriate steps are taken to mitigate those conflicts.

Proprietary Products

WA USA advisors may recommend or trade in proprietary products, such as Platinum Private Portfolios ("PPP"), within your account. These are products which are offered or created by members of the Wellington-Altus Group of Companies, or where a member within the Group serves as a sub-advisor. WA USA may have accounts that invest only in Wellington-Altus Group of Companies' products either by virtue of: (i) participation in a certain platform, e.g. PPP; or (ii) the recommendation or discretion of your Advisor. Wellington-Altus requires that any product, proprietary or otherwise be subject to the review of the Product Shelf Committee and/or Managed Accounts Committee to ensure it meets the necessary criteria to be included on the WA USA product shelf and to be made available to clients of WA USA. WA USA's Product Shelf Committee and/or Managed Accounts Committee conducts extensive due diligence on all products offered to clients and extensively documents its decision-making process. All such products are assessed on numerous criteria including, without limitation, performance, fees, risk, liquidity, reputation of service providers, strategy and comparable existing products. WA USA determines which products to make available to clients independent and without influence from its affiliated entities. Whether proprietary or otherwise, your Advisor is required to select securities which are suitable for you and which align with your investor profile. Recommending or investing in Wellington-Altus Group of Companies proprietary products instead of third-party products may be perceived as putting the interests of WA USA or its affiliates before yours. Including proprietary products in your account may create the perception that we are choosing products based on the benefit to the Wellington-Altus Group of Companies regardless of the suitability of the product.

WA USA Advisors are required to recommend and invest in products and services that meet your needs and fit your investor profile, not to meet business targets or provide benefits to WAFI, the holding company for all of the other Wellington-Altus Group of Companies. WA USA offers both third-party products and proprietary products. WA USA does not compensate its Advisors more, or offer incentives to Advisors, if they recommend Wellington-Altus Group of Companies' products other than (a) commissions paid in respect WAI and WAGS products, (b) standard grid payment in respect of accounts in WA USA, (c) indirect benefits realized from the economic success of WAFI from the performance of the Wellington-Altus Group of Companies, and (d) differentiated Advisor payout structures in respect of PPP, which at the same client fee rate, results in lower payout to Advisors in terms of actual dollars compared with non-PPP client fees. All Wellington-Altus Group of Companies' proprietary products are subjected to the same review, selection criteria and ongoing evaluation as third-party products. WA USA conducts market analysis to ensure the terms of Wellington-Altus Group of Companies' proprietary products are competitive and comparable to those products offered by third parties. All Wellington-Altus proprietary products in your account must align with your investment objectives, restrictions and know your client (KYC) Information in your WAPW Client Account Application and as updated periodically. Regardless of whether the product is third-party or proprietary, our policies and procedures require that recommendations are suitable and put your interest first.

Compensation

We earn compensation by providing you products and services. Different products and services may have differing levels of compensation, and different account types may have differing fees. For fee-based accounts, our compensation may be based on the valuation of your account and/or assets under management. The compensation we receive may impact the valuation of your account. Commissions and fees for similar services may vary within our established fee schedule depending on your agreement with your Advisor. We may be perceived to be financially motivated to recommend products, services or account types based on factors other than your best interest.



We offer a wide variety of products and pricing options to choose from, and our compensation will be disclosed to you in your WA USA Wrap Fee Brochure. To avoid duplicate fees being charged in fee-based accounts, products with up-front or trailing commissions will be excluded from your assets for the purpose of calculating fees. We may choose not to offer a complex product that carries a high commission..

Internal and External Products or Services

We may recommend that you use more of our internal services and buy more of our internal products, or more products and services from external organizations. We may be perceived to have incentive to recommend products and services to you, that align with our financial interest, rather than your best interest.

We do not engage in "tied selling" which is prohibited by regulation and WA USA policy. We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any actual or potential benefit to you. WA USA has compliance programs to identify and monitor that Advisors are complying with securities laws and are not recommending products or services that are not suitable or are not in the best interests of clients. We have referral arrangement policies and procedures to ensure that any referral arrangements we may enter into are formalized in writing and to ensure clients receive disclosure of the arrangement where they are a referred client.

Referral Arrangements

We may refer you to a third-party and receive a referral fee or pay a referral fee to a third-party if you are referred to us. The purpose of these referrals is to introduce you to qualified persons who are best suited to provide products or services requested. There may be a perception that, when you are referred, the referral is in our financial or business interest and not in your best interests. All referral arrangements are formalized in writing. We have policies and procedures to satisfy ourselves that when you are referred to a third-party, the party receiving the referral has the appropriate qualifications to provide the specific services to you. If you are a referred client, you will receive disclosure of the arrangement, including the method of calculating the referral fee. You do not pay any additional charges or fees in connection with referrals and are not obligated to purchase any product or service in connection with a referral.

Proxy Voting

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. When casting proxy votes, we may be perceived as voting to our personal benefit, rather than your best interest. Securities regulations require specific disclosure by the issuer for these types of arrangements. We do not accept payment for proxy solicitations and will not dictate your vote choice on the proxy request. Our policies and procedures require that proxy voting must always be done in the best interest of clients. This means voting with a view to enhance the value of the shares or securities held by you. Your financial interest is the primary consideration in determining how proxies will be voted. WA USA will generally vote with management; however, each matter will be reviewed on a case-by-case basis to make the appropriate determination.

Interest Spreads

We earn revenue from interest spreads on money that is loaned to you on a margin account and uninvested cash deposits with us. We may be perceived as favoring our financial interests when we recommend that you borrow to invest, or keep funds uninvested with us.

We review our client accounts for suitability on a regular basis, and our review takes into account, among other things, the use of borrowed funds. Leveraged accounts are specifically identified for regular review. Your Advisor is required to recommend products, accounts and services to you based on your needs, not to meet business targets, and must comply with WA USA's policies. We have an obligation to make recommendations based on suitability, not generation of fees and charges. WA USA and its Advisors have an obligation to ensure that suitable account types, products and services are recommended to clients. The amount of other compensation we may receive will vary depending on the disclosed charges you pay for the products and services provided to you. Please see our WA USA Wrap Fee Brochure for more information.

Expiring Options

We may benefit by exercising certain securities as they approach expiry if you have elected not to do so yourself. This is generally accomplished by exercising rights for securities aggregated from multiple accounts that other clients have also declined to exercise because the fees related to these transactions for each account would make them uneconomic. The exercise of options may create the perception that we are not acting in your best interests to the extent WA USA or your Advisor may benefit from the exercise.

As expiry dates approach for certain types of securities, we attempt to contact investors to determine if they want to exercise their rights before securities expire. WA USA and its Advisors put your interests first when determining whether or not to exercise expiring options and will only do so where the outcome of exercising creates a better outcome than the option expiring.

Allocation of Securities

We may need to select which clients will be offered certain securities if availability is limited. We may need to select the order in which clients' trades are executed. In cases of limited availability of securities, not all clients who express an interest may receive those



securities or the quantity requested. In determining the allocation of securities, we may be perceived as favoring one client over another. We have a "fair allocation" policy for managed accounts, which is outlined in item 12 Brokerage Practices of our ADV: Firm Brochure. WA USA policy is that clients will receive priority over Advisor or 'PRO' accounts when allocating securities.

Gifts and Entertainment

We may receive or provide gifts and entertainment to or from clients, third-parties or other employees. This may create the perception that gifts and entertainment may inappropriately influence our decision making, or the decision making of third parties.

We prohibit Advisors and staff from accepting or providing gifts and entertainment that could influence decision-making, or that are frequent, recurring, excessive, or extravagant. We are required by industry regulations and WA USA policy to put your interests first and make only suitable investment recommendations that are consistent with your KYC Information.

Product Research

We distribute investment research that is produced by third parties. The distribution of research can at times create the perception of a conflict of interest where a dealer acts in an advisory, underwriting or agency capacity for certain issuers or are sub-advisors in respect of such products. There may be cases where entities discussed in the third-party research that is distributed are issuers with which the Wellington-Altus Group of Companies have a relationship, which may create the perception of a conflict of interest. We may be perceived to distribute investment research favouring issuers with which the Wellington-Altus Group of Companies have an economic relationship, including a sub-advisory relationship. To negate this perception of conflict, WA USA only distributes third party research. We do not produce our own research on securities. Industry regulations govern the distribution of third-party research. We have policies and procedures to address the requirements related to third-party research.

Outside Activity

At times, WA USA employees may participate in outside activities, which may include serving on a board of directors or being an officer of another entity, providing services to an affiliate within the Wellington-Altus Group of Companies, participating in community events or having a private investment in a company. In certain circumstances, employees of WA USA may hold a passive minority interest in a registered sub-advisor of a financial product within the Wellington-Altus Group of Companies. In those cases, the sub-advisor may be deemed to be related to WA USA.

Before engaging in any outside activity, our employees are required to disclose the activity to us. Any outside activity must be pre-approved by us. On an annual basis, our employees are required to confirm their outside activities, if any. Any outside activity which presents a material conflict of interest that cannot be addressed in your best interest will be avoided. Outside activities 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. We prohibit our employees from sitting on the board of directors of a publicly traded company. We are required to report to regulators all advisors who are licensed with multiple entities. Our Advisors will provide you notification in writing if they are dually registered. The relationship between WA USA and our related entities, and any material conflicts of interests we identify.

Personal Trading

We may have access to commercially sensitive or inside information, and information pertaining to trades and securities in your account. 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. There may be a perception that information we have access to could be potentially used for the personal benefit of us or our employees.

Employees who learn of material non-public information are prohibited from utilizing or passing that information to others. We have established policies and procedures for responding to conflicts of interest that involve inside information and for complying with insider trading provisions. We place securities on a "restricted list" to avoid trading when we have non-public information. We review on a regular basis securities transactions made in personal securities accounts of our Advisors and certain other employees. We review and pre-approve all transactions in non-brokered private placements.

Related Entities

Wellington-Altus USA Inc. is a part of the Wellington-Altus Group of Companies.

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

1. Employees of WA USA may be directors and/or officers of public and private corporations, which may be deemed to be connected issuers to WA USA.
2. WA USA or entities related to WA USA 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 shares, units or other forms of securities for the above clients.

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



Should we identify any new material conflicts of interests (real or perceived) in the future, we will keep you informed as soon as practicable. If you have any questions or concerns, whether they involve conflicts of interest or any other matter, do not hesitate to ask your Advisor for an explanation and more information. If you are not satisfied with the response, or have any questions in relation to this **Conflict of Interest Disclosure** please contact our Chief Compliance Officer through complianceinquiries@wellington-altus.ca.