CLIENT RELATIONSHIP DISCLOSURE INFORMATION

Cidel

GENERAL

Cidel Asset Management Inc., carrying on business as Cidel, Cidel Financial Group, Toron Asset Management International, Toron Capital Markets ("Cidel") is registered as a portfolio manager, commodity-trading manager, investment fund manager and exempt market dealer in Ontario. Cidel is also registered as a portfolio manager and exempt market dealer in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, and Saskatchewan. In Québec, Cidel is registered as a portfolio manager, investment fund manager and exempt market dealer. Our head office is located at 60 Bloor St. West, 9th Floor, Toronto, Ontario, M4W 3B8.

We are required under applicable securities laws to deliver to our clients all information that a reasonable investor would consider important about your relationship with us including, but not limited to, the services we offer, the fees and expenses we charge you, how we attempt to mitigate conflicts of interest and the risks that you should consider when making investments. Some of the information we are required to provide about our relationship with you may be contained in other documents we have provided to you or will provide to you from time to time. These additional documents are hereby incorporated by reference into this document.

We encourage you to read this document carefully to understand its contents. If you have any questions relating to the contents of this document, please contact us by telephone at 416-925-5504, by facsimile to 416-925-8192 or by e-mail to invest@cidel.com.

If there is a significant change to the information contained in this document it will be made available on www.cidel.com provided to you in a timely manner.

DESCRIPTION OF PRODUCTS AND SERVICES OFFERED TO CLIENTS

Cidel provides discretionary investment management services to the managed accounts as well as investment administration services to the non-discretionary accounts of private clients and institutional groups. Cidel's activities as an exempt market dealer may include the marketing of certain funds managed by Cidel to investment dealers or mutual fund dealers.

The relationship that we have with you is set out in an Account Agreement. Under the Account Agreement, we obtain information about you that permits us to get to know you, including your financial position, investment needs, investment time horizon and risk tolerance.

If you have opened a Discretionary Investment Management Account with Cidel, we will decide what investments to purchase or sell for your account on your behalf. We will work with you to prepare an Investment Policy Statement that integrates your investment goals and financial situation with key investment principles and themes to provide a framework for your investment portfolio. Once you have agreed to and accepted the Investment Policy Statement, we will make investment decisions based on the information that you have provided to us and prevailing market conditions. As a fiduciary, we are required to act honestly, in good faith and in your best interests. In carrying out the duties set out in the Account Agreement, we must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

If you have opened a Non-Discretionary Investment Management Account with Cidel, our relationship with you is a non-fiduciary relationship. You are the ultimate decision-maker and must provide your specific instruction or for each securities transaction in your account. We are required to take reasonable steps to ensure that, before we accept an instruction from you to buy or sell a security, the purchase or sale is suitable for your account.

The cash and securities held in your account are not in our custody but are held in one or more trading accounts at Cidel Trust Company (the "Custodian") or at a sub-custodian in Cidel's name, which acts as the sub-custodian of the account. Under the Account Agreement you have given us authority to instruct the Custodian with regard to the purchase, sale and delivery of securities and cash for your account through investment dealers or brokers.

We are required under applicable securities laws to adhere to certain requirements when we provide you with these services. These requirements include the following:

Protect Your Privacy – We must keep all information that we obtain from you private and confidential and not reveal it to anyone else except as the law requires or as you otherwise permit.

Conflicts of Interest – We must adopt policies and procedures in order to ensure the proper handling of existing or potential material conflicts of interest.

Fair Allocation – We act for many clients and we must allocate investment opportunities among all of our clients in a fair manner and not intentionally favour one client over another. See our Fairness Policy described later in this document under the heading "Fair Allocation of Investment Opportunities".

Best Execution – When placing an order for and on behalf of a client account, Cidel will use those brokers and dealers who in its opinion can provide it with best execution (after considering all transaction costs and research or other benefits).

KNOW YOUR CLIENT AND SUITABILITY

Know Your Client Information

During the new account opening process and from time to time thereafter the following know your client ("KYC") information is gathered in order to assist us with preparing the Account Agreement and choosing the correct investment mandate for you:

- age;
- annual income;
- net assets;
- investment knowledge;
- investment time horizon;
- investment priorities;
- risk tolerance; and
- any other information that is relevant and necessary

The KYC information that you provide to us is important. Based on the information that you have provided to us, we buy and sell securities within your discretionary investment management account that we believe are suitable for your investment needs without first asking your permission and in your non-discretionary investment management account, upon receipt of your signed instruction. As such, it is imperative that your account information is complete and kept up to date in order to reflect your current circumstances.

Cidel has an obligation under applicable securities laws to assess whether a purchase or sale of a security is suitable for you prior to executing the transaction or at any other time. As a result, it is important that we have up-to-date information about you in order for us to provide you with the best possible service and advice. Please inform us of any significant changes to your income, investment objectives, risk tolerance, investment time horizon and / or net worth as soon as possible.

Insider Status

In order to comply with applicable securities laws we also need to obtain up-to-date information on whether you are an insider of a reporting issuer or any other issuer whose securities are publicly traded.

Verification of Your Identity

Canada's anti-money laundering laws require us to verify your identity before we can execute any transactions on your behalf, including accepting deposits of cash or securities into your account. The methods of identity verification are prescribed in the regulations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).

FEES AND EXPENSES PAYABLE BY YOU

Fees Charged by Cidel

The fees that we charge you are set out in the Account Agreement and are directly deducted from your account.

Cidel charges fees for investment management services only. Our management fees are payable on a quarterly basis in arrears and are calculated as a percentage of the net asset value of your account as at the last day of each month within the quarter.

There will be no commissions payable to Cidel on the sale of units of funds directly managed by Cidel.

Compensation Received by Cidel

We may receive periodic trailing fees or other forms of compensation from mutual fund sponsors/investment managers.

Expenses That May Be Charged to You

We may require you to reimburse us for all expenses incurred by us in carrying out our duties in the Account Agreement to the extent such expenses were incurred for and on behalf of you and which do not represent administrative costs of Cidel necessary for us to carry out our functions.

Fees Charged by the Custodian and Other Investment Dealers

The Custodian generally does not charge you a fee to act as the custodian of your account, other than for the reimbursement of any trading and custody charges it may incur to trade/hold your assets; instead it earns revenues on cash balances held by you on deposit with itself and will not be accountable to you for any such profits. In addition, it earns revenue from providing foreign exchange services as required from time to time.

Cidel has full discretion to select investment dealers, including the Custodian, to execute trades for your account. Trading commissions charged by investment dealers for transacting equity and fixed income securities will vary. For international trades, trading commissions will generally range. Please contact your Cidel representative for further information.

From time to time Cidel may determine that using an outside investment dealer is the best option, either to get access to a particular investment or to obtain a better price for you. In these cases, you may be charged a DAP fee (delivery against payment) or a RAP fee (receipt against payment) to settle the trade within your account. In addition, investment dealers may also charge a fee to wire payment to you or to research information for you.

ACCOUNT STATEMENTS

We are required under applicable securities laws to report to you at least quarterly on your account holdings and activity unless you request more frequent reporting from us. The Custodian will directly provide you with account statements on a quarterly basis.

Use of Investment Performance Benchmarks

Benchmark information is a useful way for you to assess the performance of your portfolio relative to the performance of the overall market or to certain market sectors in which your portfolio invests. We select benchmarks that are reasonably reflective of the composition of each client's portfolio (asset class, geographic and currency allocations) so that a relevant comparison of performance is presented. The benchmarks that we use are broad-based securities market indices that are widely recognized as performance benchmarks by Canadian and global mutual funds, hedge funds and the asset management industry. Benchmarks are presented for the same reporting periods as your account's annualized total percentage returns.

In addition to securities market indices, we may provide certain clients with disclosure of month-end, quarter-end and/or year-end changes in certain economic or financial data that may also be relevant in assessing the performance of their investment portfolios.

It should be noted, however, that performance benchmarks do have some limitations for performance comparison purposes as generally benchmarks do not factor in the costs of investing such as operating charges, transaction charges and other expenses that may reduce the returns of a client's portfolio.

Additional information concerning a specific performance benchmark used to assess a client's portfolio will be provided to a client upon request.

CONFIDENTIALITY AND PRIVACY

We know you value your privacy and protecting our clients' personal information is an integral part of our business values. We are committed to safeguarding this information in an appropriate and professional manner.

Cidel has adopted a privacy policy in accordance with the Personal Information Protection and Electronic Documents Act (Canada) with respect to personal information of its clients. Providing investment advisory services and having the ability to act on behalf of clients requires us to obtain certain personal information. However, we have implemented the following policies to ensure personal information is only used according to the client's intentions:

- All employees are accountable for protecting personal information held by us or transferred to a third party for processing.
- We do not sell our clients' personal information.
- We limit the collection of personal information to only that information which is required for the purposes identified.
- We use or disclose personal information only for the purpose for which it was collected, unless the individual consents, or the use or disclosure is authorized by law.
- Personal information is kept as accurate, complete and up-to-date as necessary, taking into account its use and the interests of the individual.
- When requested, we will give individuals access to their information. We will correct or amend any personal information if it is inaccurate or incomplete.

Your personal information may be delivered to the Ontario Securities Commission and is thereby being collected indirectly by the Ontario Securities Commission under the authority granted to it under applicable securities laws for the purposes of the administration and enforcement of the securities laws of the Province of Ontario. The public official in Ontario who can answer questions about the Ontario Securities Commission's indirect collection of personal information is the Administrative Assistant to the Director of Corporate Finance by mail to the Ontario Securities Commission at 19th Floor, 20 Queen Street West, Toronto, Ontario, M5H 2S8, by telephone at (416) 593-8314 or by e-mail to Inquiries@osc.gov.on.ca.

Please refer to Cidel's External Privacy Policy for more information.

CONFLICTS OF INTEREST

As a portfolio manager and an exempt market dealer, Cidel may occasionally face conflicts between its interests and those of its clients, or between those of one client and those of another. Cidel has adopted certain policies and procedures to minimize the occurrence of such conflicts or to deal fairly where those conflicts cannot be avoided. In no case will Cidel put its own interests ahead of those of its clients.

Situations may arise where the interests of a client and Cidel or one or more of its employees are inconsistent or diverge. Cidel has adopted a Compliance Manual and has established appropriate policies and procedures to allow us to:

- Identify conflicts of interest that should be avoided;
- Determine the level of risk that a conflict of interest raises; and
- Respond appropriately to conflicts.

In general, Cidel utilizes three methods to respond to conflicts of interest:

- Avoidance: this includes avoiding conflicts which are prohibited by law as well as conflicts which cannot effectively be managed;
- Control: we manage acceptable conflicts through internal controls and review processes; and
- Disclosure: By providing you with information about conflicts, you are able to assess independently their significance when evaluating the advice and services that we provide to you.

The principal business activity of Cidel is to act as a portfolio manager for separately managed investment accounts of its clients (a "Cidel Managed Account") and for funds that it manages. Cidel's activities as an exempt market dealer are primarily the marketing of the funds to clients of Cidel or to investment dealers or mutual fund dealers. In providing trading or advisory services to our clients, it is important that our clients understand our interests in the service or transaction.

We must make certain disclosures where we (a) act as your exempt market dealer; (b) advise you; or (c) exercise discretion on your behalf, with respect to securities issued by us, by a related issuer or, in the course of a distribution, by a connected issuer (collectively, "Related Securities").

In these situations, we must disclose our relationship with the issuer of the securities. We must also make disclosure to you where we know or should know that, as a result of our acting as your exempt market dealer or adviser, or of our exercising discretion on your behalf, Related Securities will be purchased or sold by you through us.

The following is a list of the time and manner in which these disclosures must be made:

- Where we purchase or sell securities for your account, the required disclosure will be contained in this document.
- Where we advise you with respect to the purchase, sale or holding of securities, the disclosure must be made prior to our giving the advice.
- If there is a significant change to the information previously disclosed to you, Cidel will notify you of the change in a timely manner and, if possible, before making the next purchase or sale of the securities for you or providing advice to you to purchase, sell or hold the securities.
- Where we use our discretion as an adviser to trade securities in a Cidel Managed Account we will not charge a trade commission without your consent, or otherwise in compliance with applicable law.
- Where we exercise discretion over a Cidel Managed Account, Cidel will refrain from causing you to purchase Related Securities that have not been previously disclosed to you.

Referral Arrangements

Referral arrangements may exist from time to time within the Cidel group of companies or with third parties. Referral arrangements are arrangements in which an existing or prospective client is referred to or from a registrant within Cidel, and compensation is provided to or by a registrant in respect of the referral. The purpose of these referrals is to introduce you to a company within the group or a third party who is best suited to provide the service/product as determined from time to time.

A referral fee may be paid or received, directly or indirectly, by a registrant member of Cidel, or by a referring employee of the registrant firm. The amount of any referral fee paid or received for referral services will not affect the fees paid or payable by you. Particulars of the referral arrangement and the fees paid or received by Cidel in respect of the referral will be provided to you in writing prior to opening an account or providing services to you.

Policies and procedures have been adopted by Cidel to identify and address any conflicts of interest that may arise from these referral arrangements.

Related Registrants

Where Cidel has a principal shareholder, partner or officer that is a principal shareholder, partner, director or officer of another registrant, Cidel will adopt policies and procedures to minimize the potential for conflict of interest resulting from such relationship(s). Cidel is also required to disclose to clients in writing, initially before making a trade for or providing advice to the client, and in a timely manner thereafter and, if possible, before making the next trade for or providing advice to the client, if there are any significant changes to this disclosure, the details of the relationship(s) and the policies and procedures adopted to minimize the potential for conflicts of interest resulting from such relationships.

Please refer to the list of related registrants in Appendix 'B'.Such related registrants receive management fees and/or performance fees from or in relation to such registrants and may pay trailing commissions or other fees to Cidel in respect of client investments managed by such registrants.

Related and Connected Issuers

There are potential conflicts of interest which could arise in connection with Cidel engaging in activities as an adviser and as an exempt market dealer in respect of securities of related and connected issuers. Cidel will only engage in activities as an adviser and as an exempt market dealer in respect of securities of related and connected issuers in compliance with applicable securities laws.

The securities laws of certain jurisdictions of Canada require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers and advisers, 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.

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Requirements requires Cidel to disclose to investors whether any securities it recommends to investors to buy, sell or hold are securities issued by Cidel, a related issuer or, during the distribution of the securities, a connected issuer of Cidel. An issuer is related to Cidel if, through the ownership of, or control over, voting securities or otherwise, the issuer is an influential security holder of Cidel, Cidel is an influential security holder of the issuer or if each of them is a related issuer of the same third party. An issuer is connected to Cidel if it has a business relationship with Cidel that, in connection with a distribution of securities of that issuer, may lead a reasonable prospective purchaser to question if the issuer and Cidel are independent of each other.

In addition, Cidel must disclose the name of any related issuer that is a reporting issuer in Ontario or that has distributed securities outside Ontario on a basis that, if it had done so in Ontario, would have made such issuer a reporting issuer. As at the date hereof, the funds listed below are related/connected issuers of Cidel.

Cidel may, from time to time, be deemed to be related or connected to one or more other issuers for purposes of the disclosure and other rules of the securities laws referred to above. Cidel is prepared to act as an adviser and as an exempt market dealer in the ordinary course of our business to, and in respect of securities of, any such related or connected issuer and, in connection therewith to provide the full range of services customarily provided by us to, and in respect of securities of, other issuers. In any such case, such adviser, exempt market dealer and other services shall be carried on by us in the ordinary course of our business as an adviser or as an exempt market dealer in accordance with our usual practices and procedures and in accordance with all applicable disclosure and other regulatory requirements.

Please refer to the list of related/connected issuers in Appendix 'C'. Such related/connected issuers receive management fees and/ or performance fees from or in relation to such issuers and may pay trailing commissions or other fees to Cidel in respect of client investments in such issuers.

Inter-Fund Trading and In Specie Transactions

Under Canadian securities laws, Cidel is subject to certain rules that prohibit the trading of securities between a Client's managed account and a Pooled Fund, or between two Pooled Funds. In addition, Cidel is prohibited from entering into in specie transactions (i.e. transferring securities "In kind" in order to effect the purchase or redemption of units of the Pooled Funds).

In the absence of exemptive relief from the securities regulatory authorities, Cidel shall not knowingly cause an investment portfolio managed by it (including a Pooled Fund) to purchase or sell securities from or to: Cidel, a partner, director, officer, employee or agent of Cidel; an affiliate of Cidel or a partner, director, officer, employee or agent of an affiliate; an associate of any of these persons or an investment fund for which any of them acts as an adviser (including any of the Pooled Funds).

Cidel has obtained an exemption from the securities regulatory authorities to permit it to engage in in specie transactions. Cidel may transfer securities from a Client's account to purchase units of a Pooled Fund, or transfer securities from a Cidel AMI Fund to a Client's account in order to redeem the Client's investment in a Pooled Fund. Cidel will only do so where the Client's investment management agreement contains the authorization of the Client to engage in such activities and where the security being transferred meets the investment criteria either of the Client Portfolio or the Pooled Fund that is to receive the security.

Pricing and Account Errors

Cidel may have a potential conflict of interest when determining when, and how, to deal with a pricing error or other type of unit holder account error, due to the time, processing cost and reimbursement of investors involved. Cidel's Error Policy establishes standards for the correction of discrepancies in accordance with industry guidelines. A copy of Cidel's Error Policy is available upon request.

Proxy Voting and Other Corporate Actions

Cidel generally has discretion as to how to vote the securities in a client's account. In exercising such discretion, and to minimize any potential for conflicts of interest, Cidel has proxy voting policies and procedures which attempt to ensure that securities are only voted in the best interests of its clients. Further, Cidel does not invest in securities of issuers in order to exercise control over, or to participate in, the management of issuers. A copy of Cidel's Proxy Voting and Corporate Governance Guidelines is available on request.

Personal Trading, Gifts and Business Entertainment

Cidel abides by a code of ethics that sets forth standards of business conduct intended to prevent possible conflicts of

interest, diversions of corporate opportunity or appearances of impropriety and has established policies and procedures for monitoring personal trades of employees, officers and directors who have access to information regarding the accounts of clients. When individual portfolio managers and other personnel of Cidel invest in the same securities as clients of Cidel, there is a perceived or potential conflict of interest that the portfolio manager or other personnel may benefit from opportunities at the expense of Cidel's clients. Cidel has established written standards for the provision and acceptance of gifts and business entertainment to or from persons or entities with which the firm has an existing or potential business relationship and regularly monitors employees' adherence to such standards. When employees of Cidel give or accept gifts or business entertainment of more than minimal value in connection with services provided to clients there is also a perceived or potential conflict of interest.

Outside Business Activities

Cidel has developed policies and procedures that govern employees' outside business activities and to which all employees must adhere. Further, Cidel has implemented a notification and pre-approval process to restrict any outside business activity that would interfere or give the appearance of interfering with an employee's ability to act in the best interests of, or perform work for, Cidel and its clients.

FAIR ALLOCATION OF INVESTMENT OPPORTUNITIES

We must ensure the fair treatment of our clients through the highest standards of integrity and ethical business conduct. The principle of fair treatment must be recognized by all partners, officers and employees of Cidel in order to provide a true benefit to our clients. Our clients have the right to be assured that their interests will always take precedence over the personal trading activities of Cidel portfolio managers and other Cidel access persons.

All partners, officers and employees of Cidel must give priority to investments made on behalf of Cidel Clients over those that benefit their own or another Cidel employee's interest. In addition, Cidel will always seek to obtain the best order execution for each Cidel Client and to minimize transaction costs.

Fair Allocation of Investment Opportunities

Cidel may, but is not obligated to, aggregate orders for a number of client accounts for the purchase or sale of a particular security. A potential conflict of interest can arise when selecting which client accounts will participate in the allocation and the extent of each client's participation. Cidel has adopted policies which are designed to ensure that, in the opinion of Cidel, all accounts are treated equitably and fairly. Where the aggregate order is executed in a series of transactions at various prices on a given day, each participating client's (including pooled accounts) proportionate share of the order will typically reflect the average price paid or received and commission rate paid with respect to the total order placed on that day. In those cases where Cidel is unable to fulfill an aggregated order on the same day, those shares that have been purchased or sold by the end of the day will generally be allocated amongst the client accounts on a pro rata basis based on each account's order size as determined by the portfolio manager at the time of order entry. However, if such prorating should result in an inappropriately small allocation to a client account, the allotment may – with Compliance approval - be reallocated to another client account, based on a rotational allocation methodology. A copy of Cidel's Fair Allocation Policy is available upon request.

SOFT DOLLAR ARRANGEMENTS

In accordance with National Instrument 23-102 Use of Client Brokerage Commissions ("NI 23-102"), Cidel may from time to time enter into soft dollar arrangements where it considers that such arrangements will be beneficial to one or more Cidel Clients and not prejudicial to any other client. In entering into any soft dollar arrangement, Cidel will seek to obtain the best order execution for the Cidel Client and to minimize transaction costs. Any soft dollar arrangements entered into by Cidel will comply with the soft dollar standards of NI 23-102. Additional information concerning the use of soft dollar arrangements by Cidel will be provided to a Cidel Client upon request.

Cidel does not use brokerage commissions for the payment of portfolio management systems, trading systems or databases of any kind or to actively obtain research.

In some cases, Cidel may allocate commissions to selected brokers in order to obtain specialized independent third-party research. Typically, the amount of commissions paid for this research is immaterial. This specialized research forms part of the investment decision-making process and, as such, is a benefit to our clients.

However, many of the brokerage firms that Cidel uses provide "bundled" trading fees that cannot necessarily be separated into research and execution. Although Cidel may quite often disregard the research information provided by these brokers, we may pursue trades with them in order to access the necessary liquidity or trading expertise required for Cidel to trade a position in the most efficient manner and thereby receive the research information.

INVESTMENT RISKS

General Risks of Investing

You should be comfortable about where your money is invested.

This requires you to think about and understand your own risk tolerance and the risk level of your investments. It is important that you understand that your investment is not guaranteed. Therefore, the greatest risk to you as an investor is that you could lose all or part of your investment. Unlike bank accounts or guaranteed investment certificates (GICs), stocks, bonds, money market securities and funds are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Accounts hold different kinds of investments depending on their investment mandate. The value of investments in any account will fluctuate on a daily basis, reflecting changes in interest rates, economic conditions and markets as well as company news. Therefore, the value of any portfolio's securities may go up or down. This means that the value of your investment when you sell it may be more or less than when you bought it.

The following is a list of general risks which may affect your account. We have listed those risks at the top, which are most likely to impact our clients. Securities regulators require that we list all types of investment risk, even those which are not relevant to how we manage your account. The risks that are specific to your account's investment mandate may be outlined in the Account Agreement. Please do not hesitate to contact us should you wish to review the specific risks which relate to you.

Risk-Return Trade Off

Risk and return are closely related. This means that to obtain a higher return, you may have to accept a higher level of risk. A higher risk portfolio is generally less stable and fluctuates more. The more a portfolio's return fluctuates, the more risk is associated with the portfolio. It is therefore important to understand what we mean by "fluctuation" within a given period of time, a security may fluctuate, that is, it may suffer losses and realize gains. High-risk investments generally offer higher long-term returns than safer ones. Since they fluctuate more, high risk investments may post more negative short-term returns, compared to lower-risk investments.

Risks Relating to Concentration

If an account invests a large proportion of its assets in securities issued by one issuer, in a single asset class or in a single sector, it will have risk relating to concentration. When an account is not diversified, it could experience greater volatility and will be strongly affected by changes in the market value of these securities.

Risks Relating to Credit

An account can lose money if the issuer or a bond or other fixed income security cannot pay interest or repay principal when it comes due. This risk is higher if the fixed income security has a low credit rating or no rating at all. Fixed income securities with a low credit rating usually offer a higher yield than securities with a high credit rating but they also have the potential for substantial loss. These are known as "high yield securities".

Risks Relating to Companies Listed on Stock Markets

The value of an account will increase or decrease with the market value of the securities in it. If an account holds stocks, the value of its securities will fluctuate with the market value of the stocks it holds. The market value of a stock will fluctuate according to the performance of the company that issued the stock, economic conditions, interest rates, stock market tendencies and other factors. Historically, equity securities are more volatile than fixed income securities. Securities of small market capitalization companies can be more volatile than securities of large market capitalization companies.

Risks Relating to the Suspension of Trading

Should an exchange suspend trading generally or halt or otherwise limit the trading in a security traded on that exchange, it may not be possible to liquidate positions and this could expose an account to losses.

Risks Relating to Interest Rate Fluctuations

Investments are affected by interest rate fluctuations. A drop in interest rates may reduce the return of money market securities. An increase in interest rates may reduce the return of accounts holding debt or fixed income securities.

Risks Relating to Currency

Whenever an account buys assets in a currency other than the base currency (for Canadians this is generally Canadian dollars), there are risks relating to exchange rates. As the currency changes in value against the other currencies, the value of the portfolio securities purchased in those other currencies will fluctuate.

Some client accounts denominate the value of their securities in Canadian dollars, but invest in different currencies. The value of their securities will fluctuate as foreign currencies change value in relation to the Canadian dollar. Some client accounts denominate the value of their securities in both U.S. and Canadian dollars. The value of their securities denominated in Canadian dollars will fluctuate in relation to the U.S. dollar.

Risks of Using Borrowed Money (Leveraging) to Finance the Purchase of a Security

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Securities may be purchased using available cash, or a combination of cash and borrowed money. If cash is used to pay for the security in full, the percentage gain or loss will equal the percentage increase or decrease in value of the security. The purchase of a security using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. For example, if $100,000 of securities are purchased and paid for with $25,000 from available cash and $75,000 from borrowings, and the value of the securities declines by 10% to $90,000, your equity interest (the difference between the value of the securities and the amount borrowed) has declined by 40% (i.e. from $25,000 to $15,000).

It is apparent that leveraging magnifies gains or losses. It is important that an investor proposing a leveraged purchase of securities be aware that a leveraged purchase involves greater risk than a purchase using cash resources only. To what extent a leveraged purchase involves undue risk is a determination to be made on an individual case basis by each purchaser and will vary depending on the circumstances of the purchaser and the security purchased.

It is also important that the investor be aware of the terms of a loan secured by securities. The lender may require that the amount outstanding on the loan not fall below an agreed percentage of the market value of the securities. Should this occur, the borrower must pay down the loan or sell some of the securities so as to return the loan to the agreed percentage relationship. In our example above, the lender may require that the loan not exceed 75% of the market value of the securities. On a decline of value of the securities to $90,000 the borrower must reduce the loan to $67,500 (75% of $90,000). If the borrower does not have cash available, the borrower must sell securities to provide money to reduce the loan.

Money is, of course, also required to pay interest on the loan. Under these circumstances, investors who leverage their investment are advised to have adequate financial resources available both to pay interest and also to reduce the loan if the borrowing arrangements require such a payment.

Risks Relating to Small Companies

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market. This risk is especially true for private companies or companies that have recently become publicly traded. They generally do not have as many shares trading in the market, so it could be difficult to buy or sell small companies' stock when it needs to. All of this means their share prices can change significantly in a short period of time.

Risks Relating to Commodities

Adverse movements in commodity prices may negatively impact the value of investments held in an account. Investments that are concentrated in a particular issuer, commodity or sector will also be more susceptible to these changes in price. This may result in greater fluctuations in value than would be the case for a portfolio invested in a wider variety of companies across sectors or industries.

Risk Relating to Liquidity

Liquidity refers to the speed and ease with which an asset may be sold and converted into cash. Most of the securities held by an account may be sold easily at a fair price and thus represent investments which are relatively liquid. However, an account may invest in securities which are not liquid, i.e., which may not be sold quickly or easily. Some securities may not be liquid because of legal restrictions, the nature of the investment or certain characteristics of the security. The lack of purchasers interested in a given security or market could also explain why a security may be less liquid. The difficulty of selling illiquid securities may result in a loss or a reduced return for an account.

Risks Relating to Foreign Investments

Accounts that invest in foreign countries may face increased risk because the standards of accounting, auditing and financial reporting in these countries are not as stringent as in Canada and the U.S. These countries may receive less complete information on the securities they buy.

A change of government or a change in the economy can affect foreign markets. Governments may impose exchange controls or devalue currencies. This would restrict the ability of a portfolio manager to withdraw investments. Some foreign stock markets are less liquid and more volatile than North American markets. If a market has lower trading volumes, it can restrict the portfolio manager's ability to buy or sell securities. This increases the risk for an account that only invests in foreign securities.

Risks Relating to Fund-on-Fund Investing

When an account invests some or all of its assets in securities of a pooled fund or a mutual fund (each, an "underlying fund"), the underlying fund may have to dispose of its investments at unfavourable prices to meet the redemption requests of the portfolio. This could have a harmful effect on the performance of the underlying fund that faces a large redemption. Furthermore, the performance of the portfolio is directly linked to the performance of the underlying fund and is therefore subject to the risks of the underlying fund in proportion to the amount of its investment in the underlying fund.

Risks Relating to Specialization

Some clients prefer a mandate which invests in a particular industry or geographic area. When an account specializes in this way, it can be more volatile. Specialization lets the portfolio manager focus on specific areas of the economy, which will affect

the performance of the portfolio depending upon changes in the sector and the companies in the sector. Events or developments affecting that sector or part of the world may have a greater effect on the portfolio than if it had been more diversified.

Risks Relating to Securities Lending Transactions

Clients and funds may, for a fixed period of time, lend securities of their portfolio in exchange for collateral. To limit the risks, the client will negotiate with its custodian the following: the value of assets given as collateral, minimum level percentage coverage of the loaned securities and the type of collateral provided to the client.

The risk associated with securities lending transactions is mainly the borrower's inability to pay the necessary consideration to maintain the collateral at the determined percentage. The client's account could sustain a loss if the borrower is unable to return the loaned securities by the end of the agreed upon period and the market value of the securities loaned increases before the account buys back the securities. In this case, the collateral will no longer be sufficient to purchase the same securities on the market. Consequently, the client or the fund will have to use the money in the account to buy back the securities and will sustain a loss. This risk can be minimized by selecting borrowing parties with solid credentials, which have undergone a stringent credit evaluation.

Risks Relating to the Use of Derivatives

Derivatives are investment instruments such as options, forward contracts, futures and swaps. Usually, derivatives grant the right or require the holder to buy or sell a specific asset during a certain period of time. There are several types of derivatives, each based on an underlying asset sold in a market or on a market index. A stock option is a derivative in which the underlying asset is the security of a major corporation. There are also derivatives based on currencies, commodities and market indexes.

In the asset management industry, portfolio managers seek to improve the rate of return of portfolios by using derivatives and accepting a lower, more predictable rate of return through hedging transactions, rather than a higher but less predictable potential rate of return. This is called hedging. Derivatives may not be used for speculation. Derivatives may also be used to reduce the risk of currency fluctuations, stock market volatility and interest rate fluctuations. However, there is no guarantee that using derivatives will prevent losses if the value of the underlying investments falls. In some cases, derivatives may be used instead of direct investments. This reduces transactions costs and can improve liquidity and increase the flexibility of an account.

Derivatives may also be used for non-hedging purposes. Derivatives can help increase the speed and flexibility with which trades may be executed, but there is no guarantee that using derivatives will result in positive returns. Accounts that use derivatives also face a credit risk.

The following are examples of risk relating to the use of derivatives:

- The use of derivatives to reduce risk associated with foreign markets, currencies or specific stocks, called hedging, is not always effective. There may be an imperfect correlation between changes in the market value of the investment being hedged and the hedging derivative.
- There is no assurance that portfolio managers will be able to sell the derivatives to protect a portfolio. An over-the counter market may not exist or may not be liquid. Derivatives traded in foreign markets may be less liquid and therefore have more risk than derivatives traded in North American markets.
- There may be a credit risk associated with those who trade in derivatives. The account or the fund may not be able to complete settlement because the other party cannot honour the terms of the contract.
- There may be credit risk from dealers who trade in derivatives, such as a dealer going bankrupt.
- A securities exchange could impose daily limits on the trading of certain derivative instruments, making it difficult to complete a derivative contract.
- If an account or a fund is unable to close out its position on a derivatives contract, this can affect its ability to hedge against losses.
- The price of derivatives based on a stock index could be distorted if trading in some or all of the stocks that make up the index is interrupted.
- If trading in certain derivative instruments is restricted by a stock exchange, the account or the fund could experience substantial losses.

Risks Relating to Investing in Mutual Funds, Hedge Funds and Specialty Products

The prospectus, offering memoranda or other offering documents for mutual funds, hedge funds and/or speciality products managed by Cidel or third party managers detail the risk factors associated with such investments. The main risk factors that are described in those offering documents are hereby incorporated by reference into this document, however for a full list of risk factors for each fund, clients can request a copy of the document from their Cidel representative.

COMPLAINTS AND DISPUTE RESOLUTION

If you have a complaint that relates to any advising or trading activity of Cidel or one of our representatives, we would like to hear from you. Such a complaint must be received by us within six (6) years of the day when you first knew, or reasonably ought to have known, of an act or omission that is a cause of or contributed to the compliant. Complaints should be reported in writing to the attention of Compliance Department, by mail to Cidel Asset Management Inc., 60 Bloor Street, 9th Floor, Toronto, ON M4W 3B8 or by facsimile to 416-925-8192 or by e-mail to CANCompliance@cidel.com.

We will acknowledge your complaint in writing, investigate the matter and provide you with written notice of our decision to make an offer to resolve the complaint or deny it. As part of this process, we may request you to provide clarification or additional information to assist us with considering your complaint.

An independent dispute resolution or mediation service is also being made available to you, at Cidel's expense, with respect to a complaint if either of the following circumstances apply:

(a) after 90 days of Cidel's receipt of the complaint, Cidel has not given the client written notice of its decision to make an offer to resolve the complaint or deny it, and the client has notified the independent dispute resolution or mediation service that the client wishes to have the complaint considered by the service; or

(b) within 180 days of the client's receipt of written notice of Cidel's decision to make an offer to resolve the complaint or deny it, the client has notified the independent dispute resolution or mediation service that the client wishes to have the complaint considered by the service,

provided, however, that the client must agree that any amount the client will claim for the purpose of the independent dispute resolution or mediation service's consideration of the complaint will be no greater than $350,000.

Except in Québec, the Ombudsman for Banking Services and Investments ("OBSI") is the independent dispute resolution or mediation service that is being made available to you at Cidel's expense for an eligible complaint. If you are a resident of Québec, you may consider using the free mediation services offered by the Autorité des marchés financiers for the complaint.

Appendix A contains additional information about our internal complaint handling process and the timelines for us to respond to your complaint, OBSI's dispute resolution or mediation services that are being made available to you, including the timelines applicable for you to make use of OBSI's services, the monetary limits associated with these services and the contact information for these services, and the steps that you must take in order to make use of OBSI's services.

Although OBSI's services are being made available to you, this does not restrict your ability to take a complaint to a dispute resolution or mediation service of your choosing at your own expense, or to bring an action in court. Keep in mind that there are time limits for taking legal action.

APPENDIX A

WHAT TO DO IF YOU HAVE A COMPLAINT

Our complaint process

Filing a complaint with us

If you have a complaint about our services or a product, contact us at:

Cidel Asset Management Inc.

60 Bloor St. West, 9th Floor

Toronto, ON M4W 3B8

Fax: 416-925-8192

Attention: Compliance Department

Email: CANCompliance@cidel.com

You may want to consider using a method other than email for sensitive information.

Tell us:

- what went wrong;
- when it happened; and
- what you expect, for example, money back, an apology, account correction.

We will acknowledge your complaint

We will acknowledge your complaint in writing, as soon as possible, typically within 5 business days of receiving your complaint.

We may ask you to provide clarification or more information to help us resolve your complaint.

Help us resolve your complaint sooner

- Make your complaint as soon as possible.
- Reply promptly if we ask you for more information.
- Keep copies of all relevant documents, such as letters, e-mails and notes of conversations with us.

We will provide our decision

We normally provide our decision in writing, within 90 days of receiving a complaint. It will include:

- a summary of the complaint;
- the results of our investigation;
- our decision to make an offer to resolve the complaint or deny it; and
- an explanation of our decision.

If our decision is delayed

If we cannot provide you with our decision within 90 days, we will:

- inform you of the delay;
- explain why our decision is delayed; and
- give you a new date for our decision.

You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

If you are not satisfied with our decision

You may be eligible for OBSI's dispute resolution service.

If you are a Québec resident

You may consider the free mediation service offered by the Autorité des marchés financiers.

A word about legal advice

You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights later on.

Taking your complaint to OBSI

You may be eligible for OBSI's free and independent dispute resolution service if:

- we do not provide our decision within 90 days after you made your complaint; or
- you are not satisfied with our decision.

OBSI can recommend compensation of up to $350,000.

OBSI's service is available to clients of our firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

Who can use OBSI

You have the right to use OBSI's service if:

- your complaint relates to a trading or advising activity of our firm or by one of our representatives;
- you brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint; and
- you file your complaint with OBSI according to its time limits below.

Time limits apply

- If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.
- If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

Filing a complaint with OBSI

Contact OBSI

Email: ombudsman@obsi.ca

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

OBSI will investigate

OBSI works confidentially and in an informal manner. It is not like going to court, and you do not need a lawyer.

Information OBSI needs to help you

OBSI can help you best if you promptly provide all relevant information, including:

- your name and contact information
- our firm's name and contact information
- the names and contact information of any of our representatives who have been involved in your complaint
- details of your complaint
- all relevant documents, including any correspondence and notes of discussions with us

During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigations.

OBSI will provide its recommendations

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us.

OBSI can recommend compensation of up to $350,000. If your claim is higher, you will have to agree to that limit on any compensation you seek through OBSI. If you want to recover more than $350,000, you may want to consider another option, such as legal action, to resolve your complaint.

For more information about OBSI, visit www.obsi.ca

APPENDIX B

iGan Partners Inc.

Cidel Bank & Trust (the parent company of Cidel) is principal shareholder of iGan Partners Inc. ("iGan"). iGan is registered as an exempt market dealer in Ontario.

APPENDIX C

RELATED & CONNECTED ISSUERS

As of November 30, 2015, Toron Capital Markets is connected to its own investment funds, the Pooled Funds.

Pooled Funds

- Cidel Global Equity Fund
- Cidel Canadian Equity Fund
- Cidel Canadian Total Return Equity Fund
- Cidel Canadian Opportunities Fund
- Cidel Balanced Portfolio Fund
- Cidel Canadian Fixed Income Fund
- Cidel Total Return Fixed Income Fund
- Cidel Money Market Fund
- Cidel Russell Fundamental Canada Index Fund
- Cidel Russell Fundamental U.S. Large Company Index Fund
- Cidel Russell Fundamental Developed ex-U.S. Large Company Index Fund

(1) Cidel Fund Management Inc., an affiliated company of the Corporation, is the investment manager of British Virgin Islands Mutual Funds, Cidel Performance Strategies Fund Ltd., Cidel Russell Fundamental Index Fund Ltd., CFG Performance Strategies Ltd. and of a registered Cayman Islands Mutual Fund, Ascent Relative Value Fund Ltd.

(2) Orbit Performance Strategies Limited.

(3) AFL Investments Limited (Bermuda), an affiliated company of the Corporation, is the manager of a registered Bermuda Mutual Fund, Argus Investments Strategies Fund Ltd.