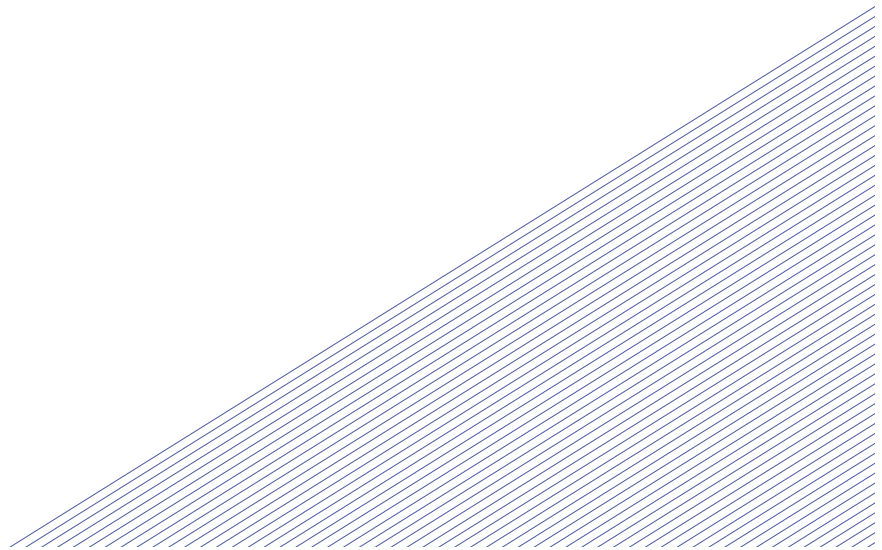


# CLIENT RELATIONSHIP DISCLOSURE INFORMATION

**Cidel**



## GENERAL

Cidel Asset Management Inc. ('Cidel') is registered as a portfolio manager, exempt market dealer, and investment fund manager in Ontario, Québec, and Newfoundland and Labrador, and as a portfolio manager and exempt market dealer in Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan. Our head office is located at 60 Bloor St. West, 9th Floor, Toronto, Ontario, M4W 3B8.

Securities laws require us to deliver all information that a reasonable investor would consider important with respect to your relationship with us. While we have addressed the most pertinent aspects of our relationship with you in this document, we may provide you with additional information in separate documents from time to time. For all intents and purposes, those other documents are incorporated by reference to this document.

We ask that you take careful note of the disclosures contained in this document and that you raise any questions or concerns you may have with your Cidel representative. You can contact our Toronto office by telephone at 416-925-5504, by facsimile to 416-925-8192 or by e-mail at [invest@cidel.com](mailto:invest@cidel.com). In the event that any material changes are made to these disclosures, we will make these available on [www.cidel.com](http://www.cidel.com), and similarly bring them to your attention in a timely manner.

## DESCRIPTION OF PRODUCTS AND SERVICES OFFERED TO CLIENTS

Cidel provides both private clients and institutional investors with discretionary investment management services for managed accounts, as well as investment administration services for non-discretionary accounts. Cidel also manages certain funds which are marketed to investment dealers or mutual fund dealers under our exempt market dealer registration.

The terms of our relationship with you are set out in the account agreement. It is under this agreement that we ask you to provide us with information about yourself, your financial position, risk profile, investment objectives and investment time horizon. We ask that you keep us informed of any changes to this information and encourage you to remain engaged on all aspects of your portfolio with us.

If you have opened a discretionary investment management account with us, we will actively manage the investments in your account for you. We will work with you to develop an investment policy statement that integrates your investment goals and your financial position with key investment principles and themes to provide a framework for your investment portfolio. Once you have approved the investment management statement, we will decide what investments to purchase or sell for your account based on

this statement and model portfolios that are actively managed by Cidel's portfolio management team. As a fiduciary, we owe you a duty to act fairly, honestly, in good faith and in your best interests at all times. This requires us to exercise the degree of care, skill and diligence of a reasonably prudent person in the circumstances.

If you have opened a non-discretionary investment management account with us, we will only act on the specific instructions you provide us with, as you are the ultimate decision-maker on what investments will be bought or sold for your account. While our relationship with you will not be fiduciary in nature, we are required to take reasonable steps to ensure that the sale or purchase of an investment is suitable for your account before we act on your instructions.

The cash and securities in your account are held under a custody arrangement with Cidel Trust Company (the "Custodian"), or where it is more appropriate, by a sub-custodian in the Custodian's name. By virtue of the authority you provided under the account agreement, we will issue all instructions to the custodian on your behalf for the purchase, sale and delivery of securities and cash in your account.

As a result of these arrangements, we are required under the applicable securities laws to adhere to certain additional requirements, of which include:

- Protecting your privacy - We are required to keep your information private and confidential and will not disclose it to anyone except as required by law, or as you may otherwise permit.
- Conflicts of interest - We are required to ensure that any material conflict of interest, whether potential or existing, is managed or resolved in your best interest. We have adopted policies and procedures to ensure that we are able to do this.
- Limits on access to investment solutions - For liquidity and concentration purposes, access to certain of our investment solutions may be limited. Please speak to your Cidel representative for more information.
- Fair allocation - We are required to ensure that we allocate investment opportunities fairly amongst our clients and do not intentionally favour clients over each other. Please see the section on 'Fair Allocation of Investment Opportunities' below for further details.
- Best execution - We are required to ensure the transactions we execute on your behalf are completed in a manner that achieves the best possible outcome for your account. As part of our efforts to satisfy this obligation, there may be instances where Cidel will use a broker or dealer to place an order for your account where Cidel is of the opinion that it is necessary to achieve best execution.

## KNOW YOUR CLIENT AND SUITABILITY REQUIREMENTS

### Know Your Client Information

Subject to certain exceptions, Cidel has an obligation under securities laws to ensure that investments purchased or sold under your account are suitable for you. This is an on-going obligation, and we are required to gather certain 'Know-Your-Client' ('KYC') information from you during the account opening process and from time to time thereafter. In order to appropriately determine whether an investment is suitable for your account, we will ask you for the following information:

- your age;
- your personal circumstances
- your annual income;
- your net assets/financial position;
- your investment knowledge;
- your investment time horizon;
- your investment needs and objectives;
- your risk profile; and
- any other information that is relevant and necessary.

The KYC information you provide is very important, as it informs our assessment of the suitability of an investment. Therefore, it is essential that the information we hold is up-to-date and current so that we can provide you with the best possible service and advice. We ask that you notify us of any material changes to this information as soon as possible.

### Insider Status

Cidel is required under the applicable securities laws to gather information for the purposes of determining whether you are an insider of a reporting issuer. Therefore, from time to time, we will ask you for this information.

### 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 for identity verification are prescribed by law under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and its accompanying regulations.

## FEES AND EXPENSES PAYABLE BY YOU

### Fees Charged by Cidel

Fees and charges payable for your account are detailed in the account agreement.

Management fees are billed in arrears at the end of each quarter and are deducted directly from your account. The fees are calculated as a percentage of the net asset value of your account.

We will provide you with written notice of at least 60 (Sixty) days should there be an increase in our fees, or if a new fee to be applied.

### Expenses That May Be Charged to You

Custody fees that are charged by the Custodian have been included in the management fee we charge you. Any commission or other charges that are payable to third party brokers have been included in the cost of the individual securities.

If Cidel incurs any expenses on your behalf, pursuant to the account agreement, these expenses may be added to your account.

### The Custodian

The Custodian is entitled to retain revenue generated on cash balances held under the custody arrangement, or as a result of any foreign exchange services you require.

### Other Investment Dealers

Cidel uses external investment dealers to access specific investments and obtain research materials. Cidel maintains full discretion in selecting investment dealers to execute trades for your account. Trading commissions charged by investment dealers for transacting equity and fixed income securities, or international trades will vary.

The external investment dealers generally mark up or mark down the price of a security to earn its trading commission. This fee will be included in the price of the security purchased or sold. For greater clarity, Cidel does not earn this fee, however it has implemented controls to ensure that the transactions adhere to Cidel's best execution and fair allocation policies. For more information on these policies, please see the section on Conflicts of Interest below.

## ACCOUNT STATEMENTS AND OTHER REPORTING

The Custodian will provide you with an account statement on a quarterly basis, unless you request a statement on a more frequent basis.

Cidel will provide you with additional reports such as trade confirmations for non-discretionary investment management accounts, and annual compensation and performance reports.

### 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 sectors of the market. We select benchmarks that are reasonably reflective of the composition of each client's portfolio (asset class, geographic and currency allocations) to present a relevant comparison of performance. The benchmarks we use are broad-based securities market indices that are widely recognized as performance benchmarks by Canadian and global mutual funds, as well as hedge funds and the broader investment 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 you with a report on month-end, quarter-end and/or year-end changes in economic or financial data, as this may be relevant to the assessment of your portfolio's performance.

It should be noted, however, that using benchmarks as a performance indicator has its limitations, as benchmarks do not factor in the cost of investing (i.e., operating charges, transaction charges and other expenses), of which may reduce the return on your investment.

Additional information regarding benchmarks used to assess your portfolio will be provided upon request.

## CONFIDENTIALITY AND PRIVACY

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

As the nature of our service offering requires us to hold certain personal information, Cidel has adopted a privacy policy in accordance with Canada's Personal Information Protection and Electronic Documents Act (PIPEDA). At all times, we will ensure that the personal information we hold is received with your consent and is only used for the purpose for which it was obtained. Our core privacy principles are as follows:

- All employees are accountable for protecting the personal information we hold or transfer to a third party for processing
- We will never sell your personal information.
- We limit the collection of personal information to that which is necessary for the purposes identified.
- We will only use or disclose personal information for the purpose that we have identified upon collection, unless you consent otherwise, or the use or disclosure is authorized by law.
- Personal information is kept as accurate, complete, and up to date as necessary, considering its intended use and your best interests.
- When requested, we will give you access to your personal information that we hold. 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 for the administration and enforcement of the securities laws of the Province of Ontario. You can direct any questions you may have about the indirect collection of personal information by the Ontario Securities Commission to the Administrative Assistant of the Director of Corporate Finance by mail to the Ontario Securities Commission at 20th Floor, 20 Queen Street West, Toronto, Ontario, M5H 3S8, by telephone at (416) 593-

8314 or by e-mailing [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca).

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

## CONFLICTS OF INTEREST

Situations can arise where the interests of a client and Cidel, or one of Cidel's employees, may diverge or conflict. To ensure fairness, and maintain the confidence of our clients, Cidel has adopted policies and procedures that allow us to -

- Identify conflicts of interest that should be avoided;
- Determine the level of risk associated with identified conflicts; and
- Respond appropriately to conflicts of interest.

In general, we deal with and manage conflicts of interests as follows:

- **Avoidance:** This includes avoiding conflicts which are prohibited by law, as well as conflicts which cannot be effectively managed.
- **Control:** We manage acceptable conflicts through internal controls and processes designed to restrict the risk of the conflict.
- **Disclosure:** By providing you with information about conflicts, you are able to independently assess their significance when evaluating our recommendations and the actions that we take.

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 related to the marketing of the funds to clients of Cidel or to investment dealers or mutual fund dealers. When 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").

Situations in which a material conflict of interest may arise may include the following:

### Related and Connected Issuers

Cidel holds licenses and registrations which allow us to advise on securities, and to issue our own securities. As a result, there is potential for a conflict of interest to arise. Cidel will only act as an adviser and as an exempt market dealer to distribute securities of a related or connected issuer when it is your best interest. Prior to distributing securities of a related or connected issuer, Cidel will disclose any material conflicts of interest.

An issuer is related to Cidel if through ownership of, or direction or control over, voting securities or otherwise –

- i. the person or company is an influential securityholder of Cidel
- ii. Cidel is an influential securityholder of the person or company, or
- iii. if each of them is a related issuer of the same third person or company.

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 cause a reasonable prospective purchaser to question whether the issuer and Cidel are independent of each other.

Certain issuers are considered related or connected issuers of Cidel by virtue of a special relationship. Cidel may receive compensation as a result of recommending, or purchasing on your behalf, securities of a related or connected issuer. In these circumstances, Cidel may be perceived to be financially motivated to advise, offer, or buy securities for your account. Cidel actively manages this conflict of interest according to the policy and procedures it has implemented to manage conflicts of interest in your best interest.

Where Cidel is responsible for managing an investment fund, it may receive a management fee from the fund, or it may otherwise charge you a fee at the account level. Cidel will not charge a fee at the account level if it has already received a fee from managing the investment fund.

A list of issuers that are related or connected to Cidel may be found at Appendix C.

### Referral Arrangements

Referral arrangements may occur from time to time within the Cidel group of companies or with external 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 for the referral. The purpose of a referral is to introduce you to a company within the group, or to an external third party, who may be better suited to provide you with a service or product.

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 payment of any referral fee will not increase the fees you pay us for our services. Particulars of the referral arrangement and the fees paid or received by Cidel for the referral will be provided to you in writing before the referral takes place.

Policies and procedures have been adopted by Cidel to identify and address any conflicts of interest that may arise from its participation in a referral arrangement.

### Related Registrants

Cidel may receive or provide administrative, management, advisory or other services to its parent company, or other subsidiaries thereof, in connection with its ongoing business. As a result, a client of Cidel may also be serviced by a related company of Cidel. Cidel actively manages this conflict of interest according to the policy and procedures it has implemented to manage conflicts of interest in your best interest.

You may find a list of registrants that are related to Cidel in Appendix B. If there is any significant change in Cidel's relationship to these registrants, we will disclose this in writing to our clients in a timely manner.

### TwinRiver Arrangement

Pursuant to a Master Services Agreement dated March 1, 2021 (the "TwinRiver Agreement") between Cidel, on the one hand, and TwinRiver Capital Group Inc., TwinRiver Capital Inc. and TwinRiver Advisory Inc. (all of which collectively, "TwinRiver"), on the other hand, TwinRiver provides Cidel with research, training and other services related to impact investing (the "Services"). The Services are used, in part, by Cidel in its management of the TwinRiver Global Impact Fund. In consideration of providing the Services, TwinRiver receives a fee from Cidel (and not, for certainty, from the TwinRiver Global Impact Fund). The fee that is payable to TwinRiver is related to the value of assets held in the TwinRiver Global Impact Fund.

A conflict of interest exists because Cidel owns a 33% equity interest in TwinRiver Capital Group Inc., which is the parent company of TwinRiver Capital Inc. and TwinRiver Advisory Inc. Except as set out in the following sentences, none of Cidel's directors, officers or employees is a director, officer or employee of TwinRiver. Cidel has an employment agreement with certain TwinRiver staff whereby they provide services to Cidel in support of the TwinRiver Global Impact Fund.

In addition, Mr. Henry Perren, the Chairman, a director and a registered dealing representative of Cidel is also a director of TwinRiver Capital Group Inc. Mr. Perren is not involved in the investment decision making process for any Cidel pooled fund nor is he involved in the provision of Services.

By virtue of its equity interest in TwinRiver, Cidel will receive a financial benefit from the fees that TwinRiver earns pursuant to the TwinRiver Agreement. This financial benefit will increase as the net asset value of the fund increases. This conflict of interest creates a potential risk because Cidel could act in a manner that exposes the fund to additional risk in order to increase fees payable to TwinRiver.

In the view of Cidel, the conflict of interest has been addressed and does not create any risk to the fund or its unitholders. None

of the TwinRiver entities is registered under applicable securities laws, and accordingly none of the TwinRiver entities nor any of their officers or employees as such is authorized or permitted to carry out any activity in relation to the TwinRiver Global Impact Fund that requires such registration. All registerable activities in relation to the TwinRiver Global Impact Fund are carried out by Cidel and its duly registered personnel in compliance with applicable securities laws and Cidel's internal compliance policies and procedures. All investment decisions in relation to the TwinRiver Global Impact Fund are made by Cidel's duly authorized and registered portfolio managers in accordance with Cidel's fiduciary duty and its policies and procedures related to investment decision making applicable to all Cidel pooled funds.

#### Inter-Fund Trading and In Specie Transactions

Under 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 affect the purchase or redemption of units of the pooled funds).

In the absence of exemptive relief from the securities regulatory authorities, Cidel may 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 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 permits Cidel to engage in such a transaction, and where the security being transferred meets the criteria established under the Client's investment mandate or if the pooled fund intends to acquire the specific security.

#### Pricing and Account Errors

In circumstances where a pricing error or another type of account error occurs, a conflict of interest could potentially arise between Cidel and its clients due to time, processing, and reimbursements costs. Cidel has adopted an Error Policy, which establishes standards and procedures for correcting discrepancies in accordance with the investment industry guidelines to deal with this potential conflict. A copy of Cidel's Error Policy will be made available upon request.

#### Proxy Voting and Other Corporate Actions

Cidel has adopted policies and procedures for proxy voting on behalf of our clients to ensure that proxies are voted in our clients' best interests. Cidel does not invest in securities of issuers for the purpose of exercising control over, or participating in, the management of issuers.

A copy of Cidel's Proxy Voting and Corporate Governance Guideline will be made available upon request.

#### Outside Business Activities

Industry regulator requirements generally do not permit employees registered with Cidel to be employed by, participate in, or accept compensation from persons outside the scope of their relationship with Cidel, without the prior approval of Cidel.

Cidel has adopted policies and procedures that govern employees' outside business activities and has implemented a notification and pre-approval process to restrict any outside business activity which may interfere, or otherwise appear to interfere, with an employee's ability to act in the best interests of, or perform work for, Cidel and its clients.

#### Personal Trading

When individual portfolio managers and other Cidel employees invest in the same securities as clients, there is a perceived or potential conflict of interest that the portfolio manager or other employees may benefit from the opportunity at the expense of Cidel's clients.

The Personal Investing Policies and Procedures protocol adopted by Cidel ensures that the interests of our clients are always prioritized ahead of those of our employees. The personal trading activities of employees are monitored and restricted through a pre-approval process that

#### 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.

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 a perceived or potential conflict of interest.

Cidel's Code of Ethics sets out what is accepted as appropriate conduct in so far as it relates to the provision of gifts and business entertainment. Cidel personnel are required to file reports or otherwise obtain pre-approval for gifts and business entertainment in order to circumvent the opportunity for, or appearance of, impropriety or the risk of a conflict of interest.

## Soft Dollar Arrangements

In selecting brokers to carry out portfolio trades on behalf of its clients, Cidel may select brokers who have agreed to provide other services (relating to research and trade execution, such as market and technical data services or special research reports) at no cost to Cidel. These arrangements are known as soft dollar arrangements and have the effect of reducing some of Cidel's administrative costs. These savings are generally indirectly shared by all of Cidel's clients. Cidel follows the CFA Institute's Soft Dollar Standards and National Instrument 23-102 Use of Client Brokerage Commissions with regard to the use of soft dollars.

Although the brokers involved in soft dollar arrangements do not necessarily charge the lowest brokerage commissions, Cidel will nonetheless enter into such arrangements when it is of the view that such brokers provide best execution and/or the value of the research and other services to Cidel's clients exceeds any incremental commission costs.

However, not all of the soft dollar services will always be to the benefit of all clients (for example, a research report may be given in respect of securities which are appropriate for some but not all of Cidel's clients). Cidel always strives to ensure that, overall, its clients are treated equally in this regard, and will never enter into a soft dollar arrangement which will knowingly prejudice one client to the benefit of another.

Cidel will make periodic disclosure to clients of the services it receives, and their value, under soft dollar arrangements, and any such further disclosure as may be required by applicable law.

## FAIR ALLOCATION OF INVESTMENT OPPORTUNITIES

Cidel directors, officers and employees recognize the principle of fair treatment as being a priority, and we ensure that our clients are treated fairly by adhering to the highest standards of ethical conduct. We believe that our clients have the right to be assured that their interests will be prioritized in a manner that is both transparent and equitable.

The allocation of investment opportunities among Cidel's clients is determined on a basis that is fair to all clients, based on their investment objectives and time horizons. Cidel will always seek to obtain the best order execution for each client and to minimize the associated transaction costs.

Cidel may, but is not obligated to, aggregate orders for various client accounts for the purchase or sale of a particular security. A potential conflict of interest can arise when deciding 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 an aggregate order is executed in a series of transactions at various prices on a given day, each participating client's 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 circumstances 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 client accounts pro rata, based on each account's order size as determined by the portfolio manager at the time of order entry. However, if this approach would result in an inappropriately small allocation to a client's 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 will be made available upon request.

## PROHIBITION OF TIED SELLING DISCLOSURE

Practices constituting coercive tied selling are illegal and are prohibited under securities and other laws governing the provision of financial services. This means that it is against the law to impose undue pressure, or coerce, a person to obtain a product or service from a particular institution, including any of their affiliates, as a condition to obtain another product or service from the institution.

Sales practices, such as preferential pricing and bundling of products and services to offer potential and existing clients better prices or more favourable terms, should not be confused with coercive tied selling as defined by various pieces of legislation.

You can expect all Cidel employees to comply with the applicable laws and to not engage in coercive tied selling practices. Should you have any concerns regarding our practices, please speak to your Cidel representative.

## INVESTMENT RISKS

### General Risks of Investing

All investments carry a level of risk, and the greatest risk posed 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. Therefore, it is important that you consider and understand what your own personal risk tolerance is, so that your investment portfolio can be structured accordingly to match this level of tolerance.

Accounts hold different kinds of investments depending on the relevant investment mandate. The value of investments in any

account will fluctuate on a daily basis to reflect changes in interest rates, economic conditions, the markets and the news. As a consequence, your investments may be valued at more or less than what you originally bought them for at any given time.

We are required by the securities regulators to provide you with a comprehensive list of all types of investment risk that could impact your investments. The list of investment risks detailed below is a comprehensive list that has been ranked in order of priority and relevance to your account with Cidel. Any additional risks that are specific to the investment mandate for your account may be further outlined in the account agreement. Please do not hesitate to contact us should you wish to review any risks that are specific to your account.

#### 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. 'Fluctuation' occurs over a period of time and means that the security may suffer losses and realize gains. High-risk investments generally offer higher long-term returns than what lower risk investments might do. 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 portion of its assets in securities issued by one issuer, in a single asset class or in a single sector, the account will be impacted more heavily by a given fluctuation, and could experience greater volatility. A lack of investment diversification leads to concentration related risks which may cause an account to be heavily impacted by changes in the market value of the concentrated securities.

#### Risks Relating to Credit

An account can suffer a loss if the issuer of a bond or other fixed income security cannot pay interest or repay the principal amount when it becomes 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 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. Where an account holds securities, the market value of the securities will fluctuate with the performance of the company issuing the securities, 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 trading in a security on that exchange, it may not be possible to liquidate positions, and the account could suffer a loss.

#### Risks Relating to Interest Rate Fluctuations

Investments are affected by interest rate fluctuations. A drop in interest rates may cause a reduction in the return from money market securities, and an increase in interest rates may reduce the return from debt or fixed income securities.

#### Risks Relating to Currency

Accounts buying assets in a currency other than the base currency (for Canadians this is generally Canadian Dollars), are exposed to foreign exchange risks. As the currency changes in value against other currencies, the value of the securities purchased in those other currencies will fluctuate.

Some accounts denominate the value of their securities in Canadian dollars, but invest in different currencies. As a result, the value of the securities will fluctuate as foreign currencies change value in relation to the Canadian 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. If you borrow money to purchase securities, your obligation to repay the capital amount borrowed, together with interest, will remain the same even if the value of the securities purchased declines.

Securities can be purchased using a combination of cash and borrowed money, and involves a process called leveraging. The money borrowed to purchase the security magnifies the gain or loss on the cash invested. For example, if \$100,000 worth of securities are purchased and paid for with \$25,000 of cash and \$75,000 of borrowed money, 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).

As leveraging magnifies gains or losses experienced, it is important that an investor proposing a leveraged transaction be aware of the higher risk associated with the transaction, as opposed to a transaction using cash only. The extent to which a leveraged transaction involves undue risk is a determination that must be made in the circumstances on a case-by-case basis.

Additionally, there may be terms attached to a loan agreement with the lender which require the securities securing the loan to not fall below an agreed percentage of the market value. Should this occur, the borrower must pay down the loan or sell some of the securities to return the loan to the agreed percentage ratio. In our



example above, the lender may require that the loan not exceed 75% of the market value of the securities. A decline in value to \$90,000 would require the borrower to 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.

Investors who leverage their investment are advised to keep adequate financial resources available to satisfy both interest and loan repayments to reduce the extent of the loan under such arrangements.

#### Risks Relating to Small Companies

Investing in smaller companies can be riskier than investing in larger companies. This is especially true with newer companies that are not as established in the market and have fewer financial resources. Private companies, and companies that have recently become public, generally don't have as many shares trading in the market and so it could be difficult to buy or sell these securities at a given time. As a consequence, the price of the shares can change significantly over 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. Where the securities held in an account can be sold easily, and at a fair price, the investment is regarded as being relatively liquid. Conversely where the security cannot be sold quickly or easily, the security is regarded as being illiquid, which may result in the investor suffering a loss or a reduced return.

Some securities may not be liquid because of legal restrictions, the nature of the investment, or certain other characteristics. The lack of purchasers interested in a given security or market could also explain why a security may be less liquid.

#### Risks Relating to Foreign Investments

Accounts that invest in foreign countries may face additional risk due to the fact that the standards or requirements for accounting, auditing and financial reporting in these countries may not be as stringent as in Canada or the U.S. These countries may also receive less comprehensive information about the securities on the market.

Factors such as a change in government, economic policy, the

imposition of exchange controls, or the devaluation of a currency can impact foreign markets and make them less liquid or more volatile than North American markets. As a result, this would restrict the ability of a portfolio manager to withdraw the investment.

#### 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 unfavorable prices to meet the redemption requests of the portfolio. This could have a negative effect on the performance of the underlying fund if it is faced with a large number of redemptions. 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 investors may prefer investing in a particular industry or geographic area, and portfolios that are structured in such a specialized manner may experience more volatility. 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 compared to a portfolio that is more diversified.

#### Risks Relating to Securities Lending Transactions

Investors may, for a fixed period of time, lend securities in their portfolio in exchange for collateral. To minimize the extent of the risk posed by a securities lending transaction, the investor will negotiate the value of assets given as collateral, the type of collateral they are willing to accept, and the minimum level of percentage coverage of the loaned securities.

One of the main risks posed by a securities lending transaction is the borrower's inability to pay the consideration required to maintain the collateral at the agreed percentage. The investor lending the security could additionally sustain a loss if the borrower does not return the security at the end of the agreed period, or if the market value of the securities loaned increases before the securities are repurchased by the borrower. It is possible that the collateral held by the investor will be insufficient to purchase the same securities on the market, and the investor will have to put in additional funds to do so, thereby suffering a loss.

To an extent, these risks can be mitigated by engaging with borrowing parties that have established credentials and have undergone stringent credit evaluations.

### 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 that is sold in a market or on a market index. An 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 can be used to reduce the risk of currency fluctuations, stock market volatility and interest rate fluctuations, however there is no guarantee that the use of derivatives will prevent losses if the value of the underlying investments falls. In some cases, derivatives may be used instead of direct investments to reduce transaction costs, improve liquidity and offer increased flexibility.

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

The following are examples of risks 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 greater 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 honor 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 specialty products managed by Cidel or third-party managers detail the risk factors associated with those investments. The main risk factors detailed in those offering documents are incorporated herein by reference, however a comprehensive list of the risk factors for each fund will be made available upon request.

### COMPLAINTS AND DISPUTE RESOLUTION

If you have a complaint that relates to any advising or trading activity performed by Cidel or one of our authorized representatives, we would like to hear from you. Complaints must be received within 6 (Six) years from the day when you first knew, or reasonably ought to have known, of the act or omission constituting the cause of or contributing towards the complaint. 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](mailto:CANCompliance@cidel.com).

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

An independent dispute resolution or mediation service will be made available to you at no cost, with respect to a complaint if either of the following circumstances apply:

- a) after 90 (Ninety) days of the receipt of the complaint, Cidel has failed to notify you in writing of its decision to either resolve the complaint or deny it, and you wish to refer the complaint to an independent body for consideration; or
- b) (b)within 180 (One Hundred and Eighty) days of receiving Cidel's written notice informing you of its decision, you notify the independent dispute resolution or mediation service that you



would like to have the complaint considered.

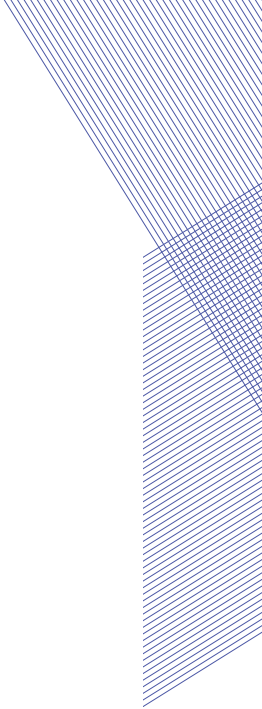
Provided however, that you agree any amount claimed by you will not exceed \$350,000 (Three Hundred and Fifty Thousand Dollars) (CAD).

Except in Québec, the Ombudsman for Banking Services and Investments (“OBSI”) is the independent dispute resolution or mediation service that will be available to you at Cidel’s expense for an eligible complaint.

If you are a Québec resident and your complaint relates to your investments, you may consider the free mediation service offered by the Autorité des marchés financiers.

Appendix A contains additional information about our internal complaint handling procedures and timelines and OBSI’s dispute resolution or mediation services that will be made available to you.

While OBSI’s services are available to you, you are in no way restricted from taking your 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 a product or service that cannot be handled by your Cidel Representative 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 escalate your concern or complaint to Cidel's Dispute Resolution Officer ("DRO") at:

Dispute Resolution Office, Cidel  
60 Bloor St West, 9th Floor  
Toronto, ON M4W 3B8  
Email: DRO@cidel.com

##### If you are a Québec resident

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

If you reside in Quebec and are not satisfied with the outcome of your concern or complaint you may consider services offered by the Autorité des marchés financiers (AMF).

Autorité des marchés financiers  
Place de la Cité, Tour Cominar  
2640 Laurier Boulevard, Suite 400  
Québec, QC G1V 5C1

Telephone: 418-525-0337  
Toll free : 1-877-525-0337  
Fax: 418-525-9512  
lautorite.qc.ca

#### 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](mailto: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](http://www.obsi.ca)

## APPENDIX B

### RELATED ENTITIES

Apollo Nominees Incorporated

Cidel Bank & Trust Inc.

Cidel Bank Canada

Cidel Trust Company

Cidel Trust Services Ltd

Cidel Trust Services Inc.

Cidel Financial Inc.

Cidel (Pty) Limited

Cidel Trust International Inc.

Cidel GP 1

Cidel Alts GP Inc.

Twin River Capital Group Inc.

Twin River Capital Inc.

Twin River Advisory Inc.

## APPENDIX C

### RELATED & CONNECTED ISSUERS

#### Limited Partnership

- Cidel Rouge LP
- TPN LHI II LP

#### Pooled Funds

- Cidel Balanced Portfolio Fund
- Cidel Canadian Corporate Fixed Income Fund
- Cidel Canadian Fixed Income Fund
- Cidel Canadian Impact Bond Fund
- Cidel Canadian Opportunities Fund
- Cidel Canadian Total Return Equity Fund
- Cidel Concentrated Energy Transition Fund
- Cidel Equity Income Fund
- Cidel Global Equity Fund
- Cidel International Equity Fund
- Cidel Money Market Fund
- Cidel Preferred Share Fund
- Cidel Russell RAFI Canada Index Fund
- Cidel Russell RAFI U.S. Large Company Index Fund
- Cidel Russell RAFI Developed ex-U.S. Large Company Index Fund
- Cidel TwinRiver Global Impact Fund
- Cidel Absolute Return Master Fund (BVI) L.P.
- Cidel Absolute Return Feeder Fund (Canada)
- Cidel Alternative Income Master Fund (BVI) L.P.
- Cidel Alternative Income Feeder Fund (Canada)
- Cidel Credit Opportunities Master Fund (BVI) L.P.
- Cidel Credit Opportunities Feeder Fund (Canada)
- Cidel Enhanced Absolute Return Master Fund (BVI) L.P.
- Cidel Enhanced Absolute Return Feeder Fund (Canada)
- Cidel Private Markets Master Fund (BVI) L.P.
- Cidel Private Markets Feeder Fund (Canada)