



Lionridge Capital Management Inc. Conflicts of Interest Disclosure Statement

Overview of Client Focused Reforms and Conflicts of Interest Disclosures

The Canadian securities regulators are enhancing their rules to better support your interests as a client. These enhanced rules are based on the fundamental concept that your interests must always come first. Here at Lionridge Capital Management Inc. ('Lionridge') our goal is to be acting in our clients' best interests at all times and these new rules require us to provide enhanced disclosure so that you have greater visibility of our efforts to always act in your best interests.

About Lionridge Capital Management Inc.

Lionridge is registered under the securities laws of Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan as an adviser in the category of portfolio manager. Lionridge is also registered as an Investment Fund Manager in Manitoba, Newfoundland and Labrador, Ontario and Quebec and is registered as an Exempt Market Dealer in Manitoba, Ontario and Quebec. Lionridge was founded for the purpose of practicing fundamental value investing in an independent manner, free of the investment parameters and constraints typically placed on professional investors managing money at large institutions. As a licensed portfolio manager, Lionridge has a fiduciary duty to act in your best interests at all times.

Conflicts of Interest

What exactly is a conflict of interest? A conflict of interest means that there is an influence which may affect the decision we, as your portfolio manager would make in the management of your account, or conversely it may affect the decision that you, as the client, would make regarding your account with us.

How We Manage of Conflicts of Interest

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

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.
- **Control:** We manage acceptable conflicts through means such as policies and procedures.

- Disclosure: By providing you with information about conflicts, you are able to assess their significance when evaluating our services.

At Lionridge, we have adopted policies and procedures to assist in identifying conflicts of interest. Conflicts deemed too significant to be addressed through controls or disclosures will be avoided. If the conflict cannot be avoided, we will control the conflict with policies and processes, and where it will assist in managing the conflict, we will provide disclosure to you in order to explain how we manage the conflict in your best interests. This disclosure will assist you in helping to understand the nature of your relationship with Lionridge.

Specific Material Conflicts of Interest

Our existing or reasonably foreseeable material conflicts of interest are described below. We are also disclosing those potential conflicts that we avoid, in order to better explain how we put the best interests of our clients first.

Conflicts Arising from Proprietary Products

Lionridge is the investment fund manager and portfolio manager for the Lionridge Total Equity Fund which is utilized in Lionridge client accounts in order to assist in the efficient management of our client accounts. Lionridge manages this conflict as we disclose the nature of our relationship with the Lionridge Total Equity Fund and obtain your consent prior to the purchase of the Lionridge Total Equity Fund.

Conflicts Arising from Third-party Compensation

Lionridge avoids this conflict as it does not receive any third-party party compensation from the sale of third-party products, such as third-party mutual funds which pay trailing commission.

Conflicts in Fee-Based Accounts

Lionridge only offers fee-based accounts. We control this conflict as there are no products sold to our clients for investment purposes that include embedded compensation or commissions and we do not underwrite any securities offerings. We provide disclosure of all fees and charges in our account opening documents at the time of account opening. Lionridge has ongoing know your client and assessment of suitability obligations which we perform pursuant to our fiduciary obligations to always act in our clients' best interests. Annual fees and operating charges paid each calendar year are reported to clients with our annual report on charges and compensation which we provide to clients.

Conflicts Between Clients

Lionridge manages this conflict as it discloses to its clients that services are not exclusive at the time of account opening as well as being provided disclosure of our Fairness in the Allocation of Investment Opportunity policy.

Conflicts Related to Referral Arrangements

Lionridge manages this conflict as whenever we enter into a referral arrangement with a third party, detailed disclosure of the referral arrangement is provided to our clients, and all referred clients are required to provide their consent to, and acknowledgement of, the referral arrangement.

Conflicts Related to Referral Arrangements with Related Entities

Lionridge manages this conflict as whenever we enter into a referral arrangement with a third party who is related to Lionridge by way of ownership, detailed disclosure of the referral arrangement and the third party's ownership in Lionridge is provided to our clients, and all referred clients are required to provide their consent to, and acknowledgement of, the referral arrangement and relationship to Lionridge.

Conflicts Arising from Having Full Control or Authority Over the Financial Affairs of a Client

Lionridge avoids this conflict as it does not have any individuals who have full control or authority over the financial affairs of a client and Lionridge would not permit this situation to occur.

Conflicts Arising from Individuals Who Serve on Public Boards and Outside Business Activities

Lionridge avoids the conflict of interest where an individual serves on the board of a public company as no employees of Lionridge serve on any public boards. Regarding outside business activities, Lionridge manages this conflict as all outside business-related roles or relationships, such as directorships or trusteeships of any kind, or paid or unpaid roles with charitable organizations, must be approved by Lionridge. Where such relationship may give rise to a situation where our clients should be made aware of the outside business activity, clients will be provided with disclosure of the outside business activity.

Trade Execution – Best Execution

The great majority of our trading is done at the custodial account level. As such best execution is a function of having our custodians provide market-competitive commission rates for the trades. Custodians are required to follow the same best-execution and fairness guidelines that Lionridge adheres to.

Trade Execution – Use of Client Brokerage Commission (Soft Dollars)

Lionridge does not enter into any soft dollar arrangements.

Trading and Pricing Errors

Lionridge controls this conflict by having a policy of when there is an instance of a trading or pricing error, and where a client has been negatively impacted, your account will be made whole.

Personal Trading, Use of Inside Information for Personal Gain and Gifts and Entertainment

Lionridge controls these conflicts as when we invest in the same securities as our clients, we have a Code of Ethics that prohibits the use of inside information and has established personal trading policies and procedures to monitor personal trades. The Code requires pre-clearance and reporting of personal securities transaction and employees provide an annual acknowledgement of compliance with the Code. Lionridge has a Gift Policy which requires all gifts above \$250 be formally approved.

Valuation of Portfolio Securities

Lionridge controls this conflict as valuations of client holdings are determined by third parties and from publicly available market data.