

Conflicts of Interest Disclosure Statement

We are in the business of providing investment advice principally to institutional and high net worth investors in Canada, often through investing client in our proprietary investment Funds (the Funds). We act as an advisor to clients under fully discretionary investment management agreements, which means we get to know your investment objectives and risk profile and make investments on your behalf. We provide our services to clients who we invest directly in a portfolio of securities and other investments (segregated account clients) and to clients who we invest in the Funds (Portfolio of Funds clients).

We are, and will continue to be, registered to provide discretionary portfolio management services to our clients. We are also registered as an “investment fund manager” with the Canadian securities regulatory authorities because we are responsible for the day-to-day business and affairs of the Funds.

In the normal course of carrying out their duties our directors, officers, employees, representatives and agents may find themselves in situations, in which their personal interest conflicts with those of a client. Pursuant to securities law, we are required to identify material conflicts of interest which would be expected to arise between us (including each individual acting on our behalf) and our clients. Further, if a reasonable investor would expect to be informed of the nature and extent of an identified conflict of interest, we must do so. The purpose of this Conflicts of Interest Disclosure Statement is to provide our clients with a description of such conflicts and how we resolve them in your best interests in our role as an advisor. Our guiding tenet when conflicts of interest arise is that the client’s interest is paramount.

We have a Code of Ethics, a Compliance Manual and internal policies that deal with potential conflict situations relating to our activities. They reiterate, among other things, that our employees must never favour their own interests to the detriment of our responsibilities to our clients. These documents establish basic principles that guide the conduct of our employees. They particularly include the following.

What is a conflict of interest?

A conflict of interest includes any circumstance where:

- The interests of a client and those of Leith Wheeler, are inconsistent or divergent.
- Leith Wheeler may be influenced to put its interests ahead of its client’s interests.
- Monetary or non-monetary benefits available to Leith Wheeler, or potential detriments to which Leith Wheeler may be subject, may compromise the trust that a reasonable client has in Leith Wheeler.

When is a conflict of interest “material”?

Leith Wheeler must determine whether a conflict is material. The materiality of a conflict will depend on the circumstances.

When determining whether a conflict is material, Leith Wheeler considers whether the conflict may be reasonably expected to affect either of the following or both:

- The decisions of the client in the circumstances.
- The recommendations or decisions of Leith Wheeler in the circumstances.

Both Leith Wheeler and its employees must take reasonable steps to identify existing and reasonably foreseeable material conflicts of interest. We must address conflicts of interest by either avoiding those conflicts or by using controls to mitigate those conflicts sufficiently so that the conflict has been addressed in a client’s best interest.

Code of Ethics – Leith Wheeler has adopted the CFA Code of Ethics and Standards of Professional Conduct as our governing document covering all dealings with clients and prospective clients. This imposes a series of duties on us and our employees, which we believe is an effective method of ensuring the highest level of professional conduct. We abide by the CFA Code of Ethics and Standards of Professional Conduct, which clearly outlines that our portfolio managers and other registrants are to avoid any situation in which their personal interests conflict or appear to conflict with their duties as Leith Wheeler employees. We obligate employees to provide an annual acknowledgement of compliance with the Code’s terms.

Outside Activities - A conflict of interest may arise from an employee’s involvement in an outside activity that could affect, or be perceived to affect, their ability to properly carry out their responsibilities at Leith Wheeler and/or their duties to clients. Such outside activities include external directorships and other employment, for direct or indirect payment. We have developed policies and procedures that govern employees’ outside activities, to which all employees must adhere. We require that all outside business-related roles, such as directorships or trusteeships of any kind, paid or unpaid roles with charitable or religious organizations, membership in investment organizations, or significant ownership positions within holding companies, must be approved by the Chief Compliance Officer prior to acceptance of such position.

Personal Trading - There is a perceived or potential conflict of interest that we may benefit from opportunities at the expense of our clients or the Funds by investing in the same securities held by our clients or the Funds. We have a pre-trade policy in place, which requires prior approval for every trade in any security by an employee to ensure we do not buy a security for ourselves before buying it for client portfolios, and provides for a process of multiple layers of approvals and monitoring of personal investment accounts on an ongoing basis.

Gifts If our employees, officers and directors were to accept gifts of more than minimal value in connection with services provided to us or that we provide to clients, then there is a perceived or potential conflict of interest. We maintain a policy dealing with gifts to employees. Employees are not allowed to accept or provide clients with gifts over a specified value. Entertainment is allowed but may not be of excessive or unreasonable value. Cash in any amount may not be given or accepted as a gift or favour under any circumstances.

Related / Connected Issuers - As the investment fund manager of our proprietary investment funds, Leith Wheeler is connected to such funds, which are used in whole or in part in providing our asset management services to clients.

Leith Wheeler Investment Funds Ltd. (LWIF), a 100% wholly owned subsidiary, is a related issuer and a registrant (mutual fund dealer). It is a company through which we sell our proprietary mutual funds (the Public Funds) to the retail investing public. We pay no fees to LWIF for the sale of our Public Funds.

Management Fees - We typically charge our management fees as a percentage of the value of your account. We provide a regular valuation of your account but use valuation agents and pricing feeds to obtain the objective value. Our Fair Valuation policy limits this potential conflict.

Fair Allocation Amongst Clients - We act as a portfolio manager to many clients. A conflict would arise if we were to favour one client over another in allocating available securities. In general, we endeavour to fairly allocate available securities to the portfolios of our clients and the Funds.

The principal determinant in allocating investment opportunities is the suitability of the investment for an account. We determine this by referring to the investment objectives of each account. If the investment would be appropriate for a client’s account, then we will include it in our

fair allocation process. No account or type of account receives preference in this allocation of investment opportunities.

This is how our process works. Orders for more than one account are entered as a combined order, and transactions are usually executed at varying prices and commissions, we use best efforts to treat all clients on a basis that is fair and reasonable in the context of the particular transaction. Where only one broker is used to execute a trade (transacted at multiple prices and/or commissions) an average cost will be allocated to all accounts. Where more than one broker is, used and there is more than one transacted price and commission, a computer-generated random allocation will be used.

When orders for more than one account are entered as a combined order and less than the total order is executed during one market session, we will make allocations on a pro-rata basis, so far as possible. However, consideration also is given portfolio specific issues like the proportion of the portfolio that the security represents, the weight of the industry or security type in the portfolio and the cash reserve position in the portfolio.

Initial public offerings (IPOs) are dealt with in the same manner. Only clients suitable for the investment being offered are entered into the combined order. IPO orders that are only partially filled are allocated on a pro-rata basis, so far as possible.

Best Execution – We place the interests of clients before our own, including when we are trading for client accounts. We are conscious of this responsibility when developing and implementing a client’s investment strategy. When trading (i.e., buying and selling), we seek to maximize the value of a client’s portfolio within the client’s stated investment objectives and constraints. This is known as “best execution”. When seeking best execution, we are generally looking to add value by reducing trading costs through optimizing the execution of client transactions. However, best execution means the best overall qualitative execution of a trade, and not necessarily the lowest possible commission cost.

Trading Costs and Broker Commissions - We select brokers and dealers based on our assessment of their ability to achieve best execution, including considerations beyond just price. Brokers and dealers are only selected where we are satisfied with their suitability to perform conduct a transaction. We recognize that qualitative factors can be as important as quantitative factors in achieving best execution. We consider the full range and quality of a broker’s services including, among other things, execution capability, commission rate, responsiveness and the value of research provided. In selecting a broker or dealer, consider the following principles:

- Commissions are the property of the client.
- We have a responsibility, when acting on behalf of a client, to seek best execution, to minimize transaction costs, and to use client brokerage to benefit the client.
- Commissions fall into three general categories:
 - Execution - payment to brokers for actual execution of trades.
 - Research - payments to brokers and/or other goods and service providers for proprietary investment research.
 - Liquidity - payments to brokers who can supply liquidity on the best terms.
- We have a responsibility for that portion of a commission which exceeds the execution cost, to use that portion only for the client's benefit and not for our benefit.
- We only pay for execution goods and services and research goods and services out of commissions - we do not pay for any third-party research goods and services out of commissions, nor do we pay for

any goods or services related to overhead associated with the operations our business.

We will not carry out any transaction whose commissions are used in whole or in part as payment for goods and services, other than order execution services, proprietary research services and, in some cases liquidity. “Proprietary research services” does not include computer terminals, hardware and software, subscriptions, travel, accommodations, and the like. We do not participate in any “manager directed” broker program whereby the broker utilizes a portion of commission dollars received to pay for third party research products or services for use by us. We will not pay broker commissions, in whole or in part, to third parties.

If any part of a broker commission is used as payment for order execution services or proprietary research services, it may only be done where:

- The services received are of value and for the benefit of the client.
- We have made a good-faith determination that the amount of client brokerage commissions to be paid is reasonable in relation to the value of the services received.

All our clients benefit from the research goods and services we receive from our dealers. The research goods and services received are used to help in our investment decisions, which are for the benefit of our clients. Examples of the research goods and services that are paid for out of client commission includes research reports, analyst access, conferences, seminars and access to issuer senior management.

We have in place ongoing processes to ensure a good faith determination is made so that clients receive reasonable benefit, which processes consider both the use of the goods or services and the amount of client brokerage commissions paid. We review all the brokers we use quarterly and on a continuing basis throughout the year. Our primary considerations are order execution, liquidity and quality of research. Regarding research, we consider the following criteria: quality of research; applicability of research to our investment process and investment models; and past effectiveness of research.

The review process results in an evergreen ranking of brokers. In practice, we then favor using the brokers toward the top of the ranking. However, considerations such as best execution (always our prime consideration) and liquidity will affect any individual choice for any specific trade.

Copies of our best execution policy and broker commission policy may be obtained upon request.

Cross Trading and In-Specie Transfers - Without exemptive relief from regulatory authorities, we may not conduct trades between the Funds or between the Funds and client accounts (these are known as “inter-fund trades”). We have obtained regulatory relief and are permitted, with the consent of the client and subject to the conditions of the exemptive relief, to carry out inter-fund trades. We are also permitted, under certain circumstances, to purchase or sell units of a Fund in exchange for the transfer of securities, rather than the payment of dollars (these are known as “in-specie transfers”). The conditions of the regulatory relief are designed to ensure that inter-fund trades and are fair and reasonable to the Funds and our clients.

In order to ensure that that these conflicts are resolved in the client’s best interests, we have a multilevel approval process involving the portfolio managers and our compliance department. We ensure that the client has given us authorization for the transaction, the portfolio manager certifies that the transaction is in the best interests of the client, and the CCO approves. For inter-fund trades, the transaction is executed at the “current market price” (which is a term defined by securities regulation). For in-specie transfers, the transaction is executed so that the value of the transferred securities matches the value of the units in the Fund, based on the current price per unit of the fund.

Proxy Voting and Other Corporate Actions - We usually have discretion in voting the securities purchased on behalf of our clients, including by the Funds. A conflict arises because this might give us the opportunity to: vote such securities in our own interest; or to support the corporate actions of companies where doing so might help us get or maintain those companies as clients. To address such conflicts, we analyze each proxy vote on its own merits and, if considered significant, it is reviewed our investment committee. We maintain records of how we vote securities. We also have a policy not to invest in securities of issuers for the purposes of exercising control over issuers or participating in management of issuers.

Pricing and Account Errors - We have a potential conflict of interest determining when and how to deal with a pricing error or other type of account error, due to the time, processing cost and reimbursement of the clients involved. We use third party service providers to provide a fair value of the securities used to calculate net asset values. We use third party custodians to manage all custody of the Funds' assets and the assets of segregated client accounts. We monitor the performance of our service providers, and we process corrections in accordance with industry standards in order to compensate a Fund or investor for direct damages where there has been a breach of our standard of care. Our policy is designed to ensure that errors caused by us or a vendor, which affects client accounts are consistently resolved in the best interest of clients and that effort is made to prevent recurrence of the error.

Referral Arrangements – We have in place several referral arrangements whereby clients are referred to us for a fee. Details of the referral arrangement, including the fees we pay to the referrer, are disclosed to the client being referred. We do not make referrals to other companies - we only receive referrals. Each referred client is treated no differently than any other client, and benefits from all the duties and obligations we owe to every client.

Other Conflicts of Interest - From time to time, other situations creating a potential conflict of interest may arise. We will continue taking the necessary measures to identify and respond to such situations fairly and reasonably, and in the best interests of our clients.

Should any additional material conflicts of interest be identified, we will inform you in a timely manner. This document will be updated should there be any change with respect to material conflicts of interest.

Proprietary Products – Leith Wheeler solely offers proprietary products (pooled and publicly available investment funds) which are manufactured by us. As the manufacturer of the Funds, we make a range of funds available to clients. In carrying out our duties as a portfolio manager, we may determine that one or more of our Funds is an appropriate investment for a client. The selection of Funds and the investment services otherwise available to a client depends on their circumstances and investment needs, which may change over time.

Given we only offer proprietary products our suitability determination will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse or equal in meeting a client's investment needs and objectives.

Compensation

Sales - Leith Wheeler's sales and advising staff are compensated on a salary plus dividend basis that is product neutral. Leith Wheeler does not provide such staff with any incentives, bonus compensation, or compensation tied to sales volume. Advisors must not recommend a product or service because it pays them better than other more suitable products. An advisor's choice of product is based on their determination of the suitability of investments made in the best interests of their client.

Leith Wheeler follows an employee-ownership model, where all employees are eligible to purchase shares in Leith Wheeler. These shares pay regular dividends, which are tied to the overall success of the business. As a result, total compensation is a combination of salary and dividends declared by Leith Wheeler. This form of compensation arrangement is believed to better align an employee's actions and goals with the goals of the employer and fosters a more robust and successful company, which we believe is in the best interests of the client.

Supervisory - Our compliance and supervisory staff's compensation is not directly tied to the sales or net income generation of the firm or the representatives that the compliance and supervisory staff supervise. Leith Wheeler follows an employee-ownership model, where all employees are eligible to purchase shares in Leith Wheeler. All supervisory employees are eligible to participate in this employee-ownership model. Therefore, supervisory staff may be partially compensated through dividends declared on the stock of the firm. This form of compensation arrangement is believed to better align an employee's actions and goals with the goals of the employer and foster a more robust and successful company, which we believe is in the best interests of the Client.

We train our compliance and supervisory staff with respect to their obligations to act fairly, honestly and in good faith and resolve all material conflicts of interest in favour of clients.

Finally, we have identified that there is a conflict involving senior supervisory staff. Our Chief Compliance Officer, Cecilia Wong, is also registered as an advising representative. Her list of advisory clients is small, and her advising activities are subject to the same oversight activities applicable to any advising representative. In instances where a supervisory matter deals directly with any of her clients, decisions related to oversight will fall directly to the Ultimate Designated Person, James Gilliland, who is President of Leith Wheeler.