

CONFLICTS OF INTEREST
DISCLOSURE STATEMENT

Inukshuk Capital Management Inc.

This conflicts of interest disclosure statement describes the material conflicts of interest that arise or may arise between Inukshuk and our clients, and between Inukshuk's registered representatives and our clients. Canadian securities laws require us to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest that interfere with our clients' best interests. We are required to communicate and address any issues in this respect, to our clients.

What is a Conflict of Interest?

A conflict of interest may arise where (a) the interests of Inukshuk or those of its representatives and those of a client may be inconsistent or different, (b) Inukshuk or its representatives may be influenced to put Inukshuk or the representative's interests ahead of those of a client, or (c) monetary or non-monetary benefits available to us, or potential negative consequences for us, may affect the trust a client has in us.

How Does Inukshuk Address Conflicts of Interest?

Inukshuk and its representatives always seek to resolve all material conflicts of interest in the client's best interest. Where it is determined that we cannot address a material conflict of interest in favour of the client's best interest, we and our representatives will avoid that conflict.

We have adopted policies and procedures to assist in identifying and controlling any conflicts of interest that we and our representatives may face.

Material Conflicts of Interest

A description of the material conflicts of interest that we have identified in relation to our role as your Portfolio Manager, the potential impact and risk that each conflict of interest could pose, and how each conflict of interest has been or will be addressed, is set out below.

Using Services of Inukshuk's Related Parties

Inukshuk is registered as a Portfolio Manager in Ontario, Saskatchewan, British Columbia and New Brunswick.. Inukshuk has no related parties.

Personal trading

Employee personal trading can create a conflict of interest because employees with knowledge of the trading activities for Inukshuk could use that information for their own benefit. To manage this conflict, Inukshuk has a Code of Ethics for Personal Trading intended to restrict and monitor personal trading by employees, officers or directors of Inukshuk in order to ensure that there is no conflict between such personal trading and the interests of our clients. Each of our employees, officers and directors are required to put the interests of clients first, ahead of their own personal

self-interests. In particular, any individual who has, or is able to obtain access to, non-public information concerning the portfolio holdings, the trading activities or the ongoing investment programs of Inukshuk, is prohibited from using such information for their direct or indirect personal benefit or in a manner which would not be in the best interests of clients. These individuals also must not use their position to obtain special treatment or investment opportunities not generally available to our clients. These individuals are only allowed to make a personal trade if it falls within a general exception in our personal trading policy or if our Chief Compliance Officer has determined that such trade will not conflict with the best interest of our clients.

Proxy voting

A potential for conflict arises when we have the opportunity to vote a proxy in a manner that is in our own interest and not in the best interest of clients. Inukshuk will make every reasonable effort to exercise all voting rights with respect to securities held in the Client Accounts that it manages, consistent with our investment objectives. Proxies for the Client Accounts where the portfolio management is performed by a sub-adviser will be voted in accordance with the sub-adviser's policy, unless the sub-advisory agreement provides otherwise.

Fair valuation of assets

When we earn fees based on assets under management, there is a potential conflict in valuing the assets held in the portfolios because a higher value results in a higher fee paid to us. Overstating the value of the assets can also create improved performance.

We only trade in liquid securities which are traded on recognized exchanges and rely on the policies and procedures of our custodian to price assets held in your portfolio.

Trade error correction

Correcting an error in a client account can create a potential conflict of interest if Inukshuk has a choice in correcting the error in a manner that is advantageous to Inukshuk.

Inukshuk avoids this conflict by bearing all costs associated with trading errors. In addition to costs, if a trade error results in a loss to a client, the client is always made whole by Inukshuk and in cases where the error favours the client, the client retains the benefit and Inukshuk bears the loss. All errors are documented in an error log as a control measure and as a measure to improve business processes. Annually, a brief account of trade errors is included in the Chief Compliance Officer's report to the Board of Directors.

Use of client brokerage commissions

Inukshuk does not direct any transactions involving client brokerage commissions to a dealer in return for the provision of goods or services by the dealer or a third party.

Outside activities

At times, our representatives may participate in activities outside of their employment with us, such as serving on a board of directors, participating in community events or pursuing personal outside business interests, whether paid or unpaid. A potential conflict can arise from a representative of Inukshuk engaging in such activities as a result of compensation received, the time commitment required or the position held by the representative in respect of these outside activities. The potential impact and risk to you are that these outside activities may call into question the representative's ability to carry out their responsibilities to you or properly service you, there may be confusion which entity(ies) the representative is acting for when providing you with services and/or if the outside activity places the representative in a position of power or influence over you.

We address this conflict by prohibiting our staff from engaging in any outside activity, including acting as a director or officer for a public company or other business and non-business ventures, which could interfere with the proper discharge of the individual's duties to us. In each case, the individual must request approval from the CCO to engage in the outside activity and the CCO considers any conflicts of interest arising due to the nature of the relationship, compensation and time commitment. The CCO will not allow the representative to proceed with the outside activity if it determines that the outside activity will give rise to material conflicts of interest that cannot be addressed in the clients' best interest. No registered individual acts as an officer or director of another registered firm that is not an affiliate of Inukshuk or as a registered individual of any other firm.

Referral arrangements and third-party benefits

If a client of Inukshuk is affected by any referral arrangements or third-party relationships this will be disclosed.

Compensation and incentive practices

We compensate our representatives by a combination of a base salary and a bonus based upon the overall performance of the firm. We prohibit commission-based compensation models to avoid competitive behaviours and selling practices that are not in the best interest of a client. Furthermore, a compensation committee comprising members of senior management reviews compensation and bonus awards for all staff.

Gifts and entertainment

The receipt of gifts and/or entertainment from business partners may result in a perceived conflict as it gives rise to the perception that our representatives will favour such business partners when making investment decisions. To manage this perceived conflict of interest, we have adopted a gifts and entertainment policy, which prohibits our representatives from accepting gifts or entertainment beyond what we consider consistent with reasonable business practices and applicable laws.

In addition, any gifts received by employees are to be reported to the CCO and recorded by Compliance.

Full control over client's financial affairs

Full control or authority over the financial affairs of a client who is not related to a registered individual is prohibited. For close family members of registered individuals, we address conflicts by having a registered individual that is a non-family member involved in trading decisions.

Complaint Handling

Addressing a client complaint can create a potential conflict of interest if Inukshuk has a choice in addressing the complaint in a manner that is advantageous to Inukshuk versus addressing the complaint in the best interest of the client. To avoid this conflict, Inukshuk complies with the procedures set out by the Ombudsman of Banking Services and Investments (OBSI) in addressing complaints (other than complaints by non-individual permitted clients). In addition, Inukshuk has implemented procedures to establish reporting accountability and an escalation process to the Chief Compliance Officer.