

## CONFLICTS OF INTEREST DISCLOSURE STATEMENT

### **Purpose of this Conflicts of Interest Disclosure Statement**

Canadian securities laws require all firms to take reasonable steps to identify existing and reasonably foreseeable material conflicts of interest and to address them in the best interest of the client. We are also required to inform clients of such conflicts and the measures that we have taken to address the conflicts in order to minimize their impact.

### **Description of Firm**

Generation IACP Inc. (“GIACP”) is an investment dealer owned by senior management with its head office in Toronto, Ontario, Canada. GIACP is incorporated under the laws of Ontario, and is registered as an Investment Dealer, including for portfolio management services, in the provinces of Ontario, British Columbia, Alberta, and Quebec. We are a member of the Canadian Investment Regulatory Organization and Canadian Investor Protection Fund, and a Participating Organization of the Toronto Stock Exchange and member of the TSX Venture Exchange, the Canadian Securities Exchange, and the Cboe Canada.

GIACP offers to clients both advisory accounts and managed accounts. For an “advisory account”, the client is responsible for investment decisions but is able to rely on advice given by a registered representative. For a “managed account”, GIACP acts as a portfolio manager and investment decisions are made on a continuing, discretionary basis, pursuant to discretionary authority granted to GIACP in a managed account agreement. GIACP invests managed accounts in a separately managed account (direct investment in individual securities) and/or in units of proprietary pooled funds managed by GIACP’s affiliated investment management firm, Generation PMCA Corp. (“GPMCA”).

### **Management of Conflicts**

Conflicts of interest exist in almost all human interactions, as circumstance result in interests that are inconsistent or divergent. These may arise from time to time: between the client and GIACP (including each individual, acting on its behalf, i.e., portfolio managers and investment advisors); between the client and the firm’s other clients; and between GIACP and our related or associated companies.

GIACP identifies conflicts of interest and determines the level of risk for each conflict to determine the manner in which we should deal with them. In general, we deal with and manage material conflicts as follows:

- **Avoidance:** The firm avoids conflict situations if there are no appropriate controls available in the circumstances that would be sufficient to otherwise address the conflict in the best interest of the client.
- **Address:** We address acceptable conflicts by taking steps to implement appropriate controls, including policies and procedures, to sufficiently mitigate the effect of the conflict of interest.
- **Disclosure:** By providing you with information about conflicts that may impact you, you are able to independently assess their significance when evaluating our recommendations and any actions we take.

### **Possible Conflicts and How They Are Addressed**

The following describes some of the situations in which GIACP could be in a conflict of interest, and the way in which we intend to address such conflicts. From time to time, other conflicts of interest may arise and GIACP will continue to take reasonable measures to identify and respond to such situations in the best interests of its clients.

<b>Conflicts of Interest</b>	<b>How conflicts will be addressed</b>
<p><b>Relationship with GPMCA:</b> GIACP shares common ownership and management with GPMCA, which is registered in various provinces as a Portfolio Manager, Exempt Market Dealer, and Investment Fund Manager. GIACP and GPMCA are affiliates as both are controlled by the same entity, 134609 Ontario Limited, of which the controlling shareholder is Randall Abramson, President, CEO, Director and portfolio manager of both GIACP and GPMCA. The firms have other directors and officers in common, and share back office and oversight functions and other resources to achieve cost savings, in the same office premises.</p>	<p>GPMCA has entered into a services agreement with GIACP for brokerage services, including trade execution and other account administration and custodial services for assets in GPMCA clients’ accounts.</p> <p>Both firms have adopted internal policies and procedures related to privacy and confidentiality of information.</p>
<p><b>Dual-Registered Individuals:</b> Certain GIACP employees who are registered with the securities authorities as dealing representatives (including portfolio managers) are also registered with the authorities as advising representatives on behalf of GPMCA. Dual-registered individuals have potentially conflicting duties and responsibilities to both firms and their clients.</p>	<p>All such arrangements must be reviewed and approved by management to ensure that potential conflicts are addressed. The identity of dual registrants will be disclosed to you if you deal with those persons. To mitigate compensation-related conflicts for the firms and their dual-registered representatives, both firms have identical fee schedules for client managed accounts and the same compensation structure for portfolio managers, who are typically compensated through a combination of salary and bonus and/or a share of the fees paid by you.</p>

<b>Conflicts of Interest</b>	<b>How conflicts will be addressed</b>
<p><b>Investments in Related or Connected Issuers, and Other Issuers:</b> GIACP may recommend or cause your account to invest in securities where we have an ownership or business relationship with the issuer. These transactions may create a conflict, or the appearance of one, between GIACP’s interests and yours.</p> <p>Examples of these situations include:</p> <ul style="list-style-type: none"> <li>• GIACP influences an issuer, through our ownership and control and direction over its securities;</li> <li>• GIACP has a relationship with an issuer, such that a reasonable prospective purchaser of its securities may question our independence;</li> <li>• an employee, officer or director of GIACP is also an officer or director of an issuer and/or has a material interest in an issuer.</li> </ul>	<p>GIACP will only recommend, or exercise its discretionary authority, to invest your account in such issuers, where we have disclosed the nature and extent of the relationship or connection between GIACP (or an employee, officer or director) and such issuer, and received your written consent to the investment. Our related and connected issuers, and the issuers in which a GIACP employee, officer or director has a material interest, are disclosed and acknowledged by each client upon account opening, and we will distribute any subsequent changes to the list of such issuers. A list of these issuers is available on request.</p>
<p><b>Compensation:</b> GIACP earns compensation by selling products and services to you, for which you pay us. Different products and services have differing levels of compensation.</p> <p>GIACP also earns commissions from your account on each trade executed for your advisory or managed account.</p> <p>For managed accounts and some advisory accounts, GIACP also charges management/advisory fees for its services based on a percentage of the account’s market value. In addition, we also charge performance-based fees for certain managed accounts.</p> <p>GIACP earns typical brokerage fees and charges for activities in your account, including interest spreads on uninvested cash deposits, foreign exchange spreads on conversion of currencies, and interest charged on debit balances (see Margin Trading, below).</p> <p>GIACP investment advisors are compensated through a combination of salary and bonus and/or through a share of the fees paid by you.</p>	<p>GIACP will inform you of fees, commissions and other account charges so that you know what you will be paying.</p> <p>For advisory accounts, typically the commission schedule will be negotiated with you upon account opening. For managed accounts and fee-paying advisory accounts, commissions are based on a schedule disclosed to you upon account opening.</p> <p>There is an incentive for GIACP to cause managed accounts to trade more frequently and incur more commissions. GIACP has taken steps to manage this conflict by ensuring that direct compensation paid to employees responsible for portfolio management is not based on the value or volume of transactions in a managed account. Also, GIACP conducts annual reviews of trading levels in managed accounts to ensure portfolio managers are not overtrading accounts.</p> <p>Management/advisory fees are charged based on rates set out in your account agreement signed upon account opening.</p> <p>We will make investment recommendations that are suitable for your investment objectives and risk profile.</p>
<p><b>Fee-based Advisory Accounts:</b> There is a conflict of interest where a client advisory account pays fees (in addition to commissions on each transaction), rather than an account that pays commission only.</p>	<p>To mitigate this conflict, GIACP evaluates whether a fee-based compensation arrangement is in the best interest of the client, given their circumstances and investment objectives, and we review these accounts on an ongoing basis to confirm that clients are receiving services consistent with the terms of the account.</p>
<p><b>Third-Party Compensation:</b> We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as “trailer fees” on mutual funds. We also earn fees and commissions from issuers where we act as its adviser and/or dealer for new issues we may purchase for your account or recommend to you.</p> <p>In these instances when we are acting for the issuer, they want to obtain the highest price while we are recommending the investment to purchasers who are interested in obtaining the lowest price.</p> <p>GIACP may also receive compensation from securities issues that we purchase on your behalf, such as commissions on distributions where GIACP acts as part of a selling group.</p> <p>GIACP representatives may be compensated for a share of the fees earned from the issuer in respect of the sale of securities.</p>	<p>We disclose to you the situations and type of third party compensation we may receive. The compensation for a particular transaction is generally found in the offering documents for the fund or security.</p> <p>We ensure that we conduct a review of any product purchased for or recommended to a client, based on the quality of the security and uninfluenced by any associated third-party compensation. The investments must be suitable for your account, based on your stated investment objectives and risk profile.</p> <p>Pricing of securities must consider market conditions, market value and the specific securities being offered.</p> <p>Where fee-paying accounts hold funds that pay trailer fees, we exclude such assets from the fee calculation to avoid double-charging.</p>
<p><b>Margin Trading:</b> You may authorize GIACP to use margin at its discretion in your managed account, by borrowing funds against the account assets to enable it to make additional investments. The use of margin creates conflicts, as GIACP has a financial incentive to recommend and implement a margin strategy: to enhance returns where GIACP earns a performance fee; and as noted above, we earn revenue from interest charged on account balances.</p>	<p>GIACP has policies and procedures to ensure that: the risks of such leveraging strategy are disclosed to you on account opening; a portfolio manager documents their assessment of the suitability of such strategies for your managed account; and we conduct ongoing client account reviews to ensure adherence to each client’s investment objectives and that the amount of leverage is appropriate for their approved margin strategy.</p>
<p><b>Referral Arrangements:</b> GIACP may from time to time compensate a person or company other than its own employees for introducing or referring a client to GIACP for investment management services.</p> <p>Similarly, GIACP and its employees may receive compensation for referring a client to another adviser or a broker-dealer.</p>	<p>GIACP’s agreement with a referring party will require that the client receive disclosure of such referral arrangement, including the fees payable by GIACP to the referrer.</p> <p>Where GIACP and its employees receive compensation for a referral of a client, the compensation will generally be disclosed by the party receiving the referral. GIACP will determine that making the referral is in the client’s best interest, by considering the benefits to the client of making the referral over alternatives or at all.</p>

Conflicts of Interest	How conflicts will be addressed
<b>Outside Activities:</b> Individuals registered with us (including, potentially, your account representative) may take on other activities outside of their relationship with us that could create a conflict of interest and/or take time or attention away from client accounts.	We have policies and procedures in place for employees' outside activities, including notice and pre-approval, and subsequent monitoring, to ensure that outside activities would not interfere or create conflict with their duties, or be viewed as disreputable or inappropriate.
<b>Gifts and Business Entertainment:</b> Potential conflicts between an employee's and clients' interests may arise from gifts or business entertainment to employees from third parties (or from employees to third parties) with which GIACP has active or potential business relationships, as it could be seen to influence their decisions.	To mitigate possible conflicts, GIACP has a Code of Ethics which establish principles and standards for business conduct, including the acceptance and provision of gifts and business entertainment, which must be of reasonable value.
<b>Personal and Proprietary Trading:</b> When employees invest in their own accounts, there is a potential conflict that they may benefit from opportunities at the expense of clients or that they may have access to confidential information about client trading activity which may be used to make personal trades prior to client orders (frontrunning). GIACP also engages in trading of securities for its own account (proprietary trading) for investment purposes and pursuant to its market-making business for listed issuers.	GIACP has a Code of Ethics that sets out standards for business conduct and insider trading. Client trades are given priority over firm and employee trades in accordance with industry regulations. GIACP has established policies and procedures for monitoring all trading of clients, employees and the firm.
<b>Principal Trades:</b> We typically facilitate a transaction between you as our client and a third party on the other side, through an "agency" trade where we have no ownership interest in the security traded. However, we may sometimes be the party on the other side of the transaction (referred to as a "principal" trade) where we own the security that we sell to you. In other cases, we advise an issuer of securities on how to best raise funds by selling securities, while contemporaneously recommending that our clients buy those same securities.	Where a recommendation is being made by an advisor on a security in which we are trading as principal, this fact will be disclosed at the time of the recommendation. We will disclose to you whether we acted as principal or agent for each transaction on the trade confirmation.
<b>Confidential Information:</b> We may have access to commercially sensitive, confidential, or material, non-public information (inside information) as a result of business relationships with issuers of securities, that we cannot disclose to you.	We have policies and procedures for possession of confidential and inside information to ensure it is not shared or used improperly. We may decline to provide a service to you in order to ensure compliance with securities legislation regarding insider trading, even if that might lead us to not recommend a purchase or sale of a security.
<b>Valuation:</b> Asset valuation for determining the market value of client accounts is a potential conflict because GIACP is paid management fees based on account value, as well as performance fees on account appreciation. Also, GIACP's interest in valuing a security to show good account performance for attracting more investment may conflict with our responsibility to clients to provide accurate performance.	GIACP's carrying broker (Fidelity Clearing Canada ULC) obtains security prices from third party sources, other than certain private securities for which there is no market price available, for which GIACP will generally obtain prices from third party valuation sources. GIACP and Fidelity have valuation policies and procedures to mitigate the potential conflicts of interest.
<b>Fair Allocation Amongst Clients:</b> GIACP may aggregate orders for purchase or sale of a security by GIACP and GPMCA on behalf of a number of client accounts, where suitable. A potential conflict arises when selecting which accounts to participate in the allocation of securities purchased/sold, since the firms may earn different fees from clients, including an incentive to favor performance fee accounts.	GIACP deals with this conflict through its policy for Fairness in Allocation of Investment Opportunities, which has procedures to allocate portfolio transactions among client accounts, for fair treatment of clients and avoid the appearance of favoritism. A copy of this policy is provided to each client at account opening and when a significant change is made to the policy. A copy is available on request.
<b>Cross transactions:</b> GIACP and/or GPMCA may give simultaneous trade orders to buy and sell securities for clients. In such instances, GIACP has conflicting division of loyalties and responsibilities regarding the clients buying and the clients selling.	GIACP may engage in a "cross trade" where the simultaneous purchase and sale of the same security by different clients can be completed on equal or more favorable terms to each client than through separate market transactions.
<b>Proprietary products:</b> We may invest client managed accounts in the proprietary pooled funds managed by GPMCA, which follow a mandate that is aligned with the investment philosophy of GIACP and GPMCA, and will generally invest in the same securities as some other managed accounts.	We provide disclosure on account opening that we may invest your account in the proprietary pooled funds managed by GPMCA. Prior to purchasing units of a fund, the portfolio manager will ensure it is suitable and appropriate for your account, given your investment objectives and risk profile.
<b>Proxy Voting:</b> GIACP generally has discretion in voting securities purchased for your account. A perceived conflict may arise because of the opportunity for the firm to vote securities or agree to certain corporate actions in its own interest.	GIACP has policies that establish consistent standards to apply to proxy voting. GIACP does not invest in securities of issuers in order to exercise control over, or participate in, the management of issuers.
<b>Errors:</b> GIACP may have a potential conflict of interest when 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 clients involved.	GIACP has policies and procedures for the management of errors, including correction of trading errors in a manner deemed appropriate by GIACP depending on the specific facts and circumstances of the error, while respecting the duty to act in the best interest of the client.

The information in this document is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including the nature of such conflicts, the potential impact on and risk that the conflict could pose to you and how we address the conflict to minimize its impact and risks to you and our other clients. Ultimately, we seek to resolve all material conflicts of interest in your best interests. This is an overview of a complex subject. If you ever have any questions or concerns, whether they involve conflicts of interest or other matters, you should never hesitate to say so and ask your GIACP account representative for an explanation and/or further information.