



Conflict of Interest Disclosure Statement

General Description

Securities legislation in Canada requires Regulus Capital Management Inc. (“Regulus” or the “Firm”) to make certain disclosures regarding conflicts of interest. This statement is to inform you of the nature and extent of conflicts of interest that might be expected to arise between Regulus and its clients.

Description of the Firm

Regulus Capital Management Inc. (“Regulus” or the “Firm”) is a privately owned, independent adviser registered as a Portfolio Manager and Investment Fund Manager in Ontario. Regulus restricts its investment management for clients to investment in public securities with high liquidity, or securities exercisable, exchangeable, or convertible into current public securities.

Regulus is also registered as an Exempt Market Dealer in Ontario in which Regulus promotes and sells Regulus’s Pooled Investment Fund Products, in Trust units, to individuals that meet the requirements for an exemption under National Instrument 45-106 – *Prospectus and Registration Exemptions*. Regulus will only act as an exempt market dealer for the sale of Pooled Investment Funds managed by it. Accordingly, its client services as an adviser and dealer are integrated and not separable from each other. In selling such funds, Regulus is obliged to consider the general investment needs and objectives of the client and the suitability of such funds for any particular client.

Our client accounts are held in a custody arrangement with our “Custodian”, Interactive Brokers Inc. The custodian executes, settles all trades and records all your trade activity, and provides Regulus, (and consequently to you) an indemnity assuring you that the investments shown on your statements are held by them as custodian.

Regulus’s Pooled Investment Funds (the “Funds”) also engage SGGG Fund Services Inc. as “Administrator”. The administrator works in conjunction with custodian to organize unitholder registry, process trade activities, prepare and report investor account statements on quarterly basis and the Funds’ audited financial statements on annual basis. Audited annual financial statements will be provided in conjunction with the service from MNP LLP, as Regulus’s “Fund Accountant”. If under any circumstance, any trade activity for your account is not reported on a trade confirmation, immediately report such omission to Regulus Compliance.

Regulus takes the following steps to mitigate the actual and potential conflicts of interest described above:

- Regulus has policies and procedures in place to ensure that its representatives conduct a suitability analysis for each client accepted into the Regulus Investment Products. This suitability analysis ensures that the Regulus Investments are appropriate for that client.

- In conducting its suitability analysis for a client, each representative of Regulus will have a thorough understanding of: (i) the structure and features of the Regulus Investment Products; and (ii) amongst other client information, the personal and financial circumstances of that relevant client.

You can learn more about our firm at www.reguluscap.com.

Registration

Regulus Capital Management Inc. (“Regulus” or the “Firm”) is registered with the Ontario Securities Commission (OSC) as a Portfolio Manager, an Investment Fund Manager, and an Exempt Market Dealer. The OSC is the principal regulator for Regulus.

More Information

Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client and investor interests, including dealing with conflicts of interest. Regulus suggests that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA), Investment Industry Regulatory Organization of Canada (IIROC) and Mutual Fund Dealers Association of Canada (MFDA) for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

Regulus documents our core values and standards, including general standards for how we deal with conflicts of interest. These are outlined in the tables that follows in the later section. Please note that Regulus has no Conflicts of Interest at this time. However, situation may arise where a particular individual at Regulus may have a conflict of interest with a client’s best interest. Regulus has adopted a code of ethics and conducts and has established appropriate policies to monitor such situations in order to ensure that the client’s interests are put first. Please also note that Regulus works independently without affiliated entities or associated companies. In the event that Regulus should ever become related or connected to any entities requiring disclosures, Regulus is further required to disclose to you, prior to trading with or advising you, of relevant relationships and connections with the related entity.

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact. Regulus considers a conflict of interest to be any situation where the interests of a client and those of Regulus are inconsistent. The general types of conflicts of interest which can arise are:

- Conflicts of interest between you and us,
- Conflicts of interest between you and our other clients, and
- Conflicts of interest between us and our related and associated companies.

Management of Conflict of Interest

Regulus takes reasonable steps to identify all existing material conflicts of interest and those that we would reasonably expect to arise.

In general, Regulus deals 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: Regulus manages acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information.
- Disclosure: By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions Regulus takes.

Regulus's goal is to address conflicts in a fair, equitable and transparent manner, and consistent with the best interest of our clients. Regulus will try to avoid conflicts where possible, and in other cases either disclose the conflict, or manage it through internal controls and review processes. Conflicts deemed too significant to be addressed through controls or disclosure must be avoided.

Possible Conflicts and How They Are Managed

Potential Conflict of Interest	Addressed by	How Will Conflict Be Addressed
Individuals may receive or give gifts, gratuities or entertainment opportunities as a result of their relationships with clients.	Avoid/ Control	Accepting gifts, entertainment or compensation that would influence firm and/or employees' decisions in the performance of their duties is not permitted. We have policies which include guidelines and limits on what are appropriate and acceptable gift and entertainment practices, including the detailed review and approval processes relative to these.
Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account.	Avoid/ Control	Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm. Our employees are prohibited from engaging in activities that would interfere or create conflict with their duties. We have policies and procedures in place to detect and, where applicable, supervise, disclose or prohibit any conflict of interest. Employees wishing to act as directors or officers of a public or private company must

		<p>receive prior approval from our Board of Directors.</p> <p>When an employee sits on a board of directors or undertakes any community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of their outside business activities.</p>
Your Investment Advisor may make personal investments in the same investment products that they recommend to you.	Disclose	Your Investment Advisor is required to disclose the existence of such investment to you prior to executing any transaction on your behalf.
We may engage in trading of securities for our own account.	Control	<p>Employees will not trade on all the same securities in their personal accounts as the Firm's portfolio to avoid potential duplication.</p> <p>Firm and employee trades are identified as such and client trades are given priority to firm and employee trades in accordance with industry "client priority" regulations.</p>
We may have access to commercially sensitive or inside information.	Avoid/ Control	<p>We may decline to provide a service to avoid insider trading provisions in securities legislation.</p> <p>We have specific procedures for responding to conflicts of interest that involve insider information and for complying with insider trading provisions.</p>
We may know confidential information about other clients that we cannot disclose to you when we recommend the products to you.	Avoid/ Control	<p>Using clients' personal information for personal gains is strictly prohibited.</p> <p>Our internal information barriers are designed to ensure regulatory requirements are complied with.</p> <p>We are obligated to maintain confidential any such non-public information obtained from clients.</p>
We may need to select which clients will be offered certain products if availability is limited.	Control	Though it is unlikely, in the event that the availability of investment products is limited, Investment Advisors may make the determination based on individual client relationships.

		Suitability and client priority are key considerations under such circumstances, and such allocations cannot be influenced by guarantees of future business.
Investment Advisors at Firm may earn compensation by selling products and services to you for which you pay us.	Disclose/ Control	<p>We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying. All commissions are disclosed on each trade confirmation.</p> <p>We are required by industry regulations and firm policy only to make suitable investment recommendations, subject to your investment objectives and risk tolerance as disclosed on your Know Your Client form.</p> <p>We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue by us without any benefit to you.</p> <p>We are also prohibited to establish any internal compensation practices that could influence which securities and products are recommended to clients.</p> <p>We have a duty to act fairly and honestly in all dealings with you and the marketplace in general, and to correct any errors that we may make.</p>

Disclaimer

The information and examples contained in this document have been compiled to the best of our ability and are not meant to be exhaustive of all possible conflicts of interest but rather a compilation of those conflicts that have been identified to date. Regulus undertakes to continue taking the necessary steps of identify and respond to such situations in a fair, equitable and transparent manner and consistent with the best interests of our clients.

Should you have any questions or concerns on any of the information above, please contact your representative or the Compliance at Regulus.