

# Appendix B: Cardinal Point Capital Management ULC, Conflicts of Interest Disclosure Statement

## **Background**

Canadian securities laws require us to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in our clients' best interests and inform clients about them, including how the conflicts might impact clients and how we plan to address them in the best interests of our clients. This Conflicts of Interest Disclosure Statement describes the potential material conflicts of interest that arise or may arise in our capacity as your portfolio manager.

## **About Us**

Our firm, Cardinal Point Capital Management ULC, ('Cardinal Point') is an investment adviser registered with the Securities and Exchange Commission and a Canadian registered portfolio manager. Cardinal Point is registered as a Portfolio Manager with each of the following Canadian Securities Commissions: British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission, Nova Scotia Securities Commission, Ontario Securities Commission, New Brunswick Securities Commission, Saskatchewan Financial Services Commission and the Quebec Financial Markets Authority.

## **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.

Our goal is to address conflicts in a fair, equitable and transparent manner, consistent with the best interest of our clients. We will try to avoid conflict where possible, and in all other cases either disclose the conflict, or manage it through our policies and procedures. Conflicts deemed too significant to be addressed through controls or disclosures will be avoided. Disclosures will be made in a timely and meaningful manner.

## Cardinal Point Capital Management ULC, Conflicts of Interest Disclosure Statement

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them, and for you to also understand the conflicts of interest that we do avoid as we view this as a component of our fiduciary responsibility to you, which means to act in our clients’ best interests at all times.

The below table is a summary of potential conflicts of interest and how we address them by primarily avoiding those potential conflicts, and then for those conflicts that do apply, how we manage them. If you have any questions regarding these potential conflicts of interest or how we avoid or manage them, please feel free to contact us.

Potential Conflict of Interest	Addressed By:	How We Address
Conflicts arising from proprietary products	Avoidance	This conflict is avoided as we do not utilize any propriety products in our client accounts.
Conflicts arising from related Entities	Controls and Disclosure	<p>Representatives of our firm are IARs of Cardinal Point Wealth Management Partners, LLC (“CPWMP”), an SEC registered investment adviser.</p> <p>This presents a conflict of interest to clients, as these representatives spend time away from providing advisory services to participate in this activity. Our firm has examined this potential conflict of interest and has determined that the representative’s outside business activity does not deter from the quality of their management services.</p> <p>Further, this conflict is mitigated by fully disclosing this to clients and clients are under full discretion to choose an alternate investment adviser representative to manage their assets. Since representatives of our firm are investment adviser representatives with CPWMP, they may have an incentive to recommend CPWMP as an alternative investment adviser. This creates a conflict of interest in that these recommendations are based on a relationship with CPWMP. We have determined in good faith that CPWMP’s services are reputable and such recommendations will be based on the client’s needs. Clients are under no obligation to use the services offered by CPWMP.</p>

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Potential Conflict of Interest	Addressed By:	How We Address
Conflicts arising from third-party compensation	Controls and Disclosure	Our policy is that clients who have products in their accounts which receive trailing commission do not pay any duplicate fees to us. Disclosure is provided to the client in our Client Agreement.
Conflicts in fee-based accounts	Controls and Disclosure	It is our policy that all fees for portfolio management and financial planning are pursuant to set fees schedules which are disclosed and agreed to by the Client when they sign their Client Agreements for each service. Any additional services and commensurate fees are disclosed and agreed to by our clients, in advance.
Addressing conflicts between clients (fairness in allocation of investment opportunities)	Controls and Disclosure	Our policy is to provide disclosure that our services are not exclusive. This is provided to the client in the Client Agreement and our Allocation of Investment Opportunities policy. This is disclosed to clients and addressed in the best interest of the client.
Conflicts arising from referral arrangements	Controls and Disclosure	We control this conflict by having policies and procedures in place governing the entering into, ongoing monitoring and disclosure of all referral arrangements. We provide disclosure of the referral arrangement to all referred clients and ensure that the fees charged to clients are the same for referred clients as directly sourced clients.
Full control or authority over the financial affairs of a client	Avoidance	Our policy is to not accept appointments.
Individuals who serve on boards of directors or have outside business activities	Avoidance, Controls and Disclosures	Our policy is that individuals are not allowed to be board members of other registrants who are not affiliates or of publicly listed companies. For any outside activities, individuals are required to receive prior approval from our Chief Compliance Officer and specific disclosures would be provided where appropriate.

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Potential Conflict of Interest	Addressed By:	How We Address
Trade Execution and our obligation to obtain best execution.	Controls and Avoidance	We have a best execution policy. Our clients may pay a commission to our Custodians that are higher or lower than other qualified broker-dealers might charge to affect the same transaction. We have determined in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.
Use of Client Brokerage Commissions (soft dollar commission)	Avoidance	Avoidance. The Firm trades exclusively with its custodians and there are no third-party trades to generate soft dollar commission. We do not receive soft dollar benefits although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all our clients.
Trade and Pricing Errors	Avoidance and Controls	Our policy is that for trade or pricing errors that we are responsible for, we correct those errors in favour of our clients.
Personal Trading, use of inside information for personal gain and gifts and entertainment.	Avoidance and Controls	<p>Insider trading is prohibited by our policies, and we do not generally have access to insider trading information.</p> <p>We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities. Therefore, to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. To monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all our associates.</p> <p>We have a gift policy which does not allow us to accept gifts or entertainment beyond what we consider reasonable.</p>

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Potential Conflict of Interest	Addressed By:	How We Address
Valuation of portfolios	Avoidance	Valuations of client holdings are determined by third parties or independent data feeds.
Proxy voting	Avoidance and disclosure	With respect to most issues, and absent mitigating circumstances and/or conflicts of interest, if voting, the firm generally votes proxies consistent with the recommendation of the senior management of the issuer. In addition, a client may direct how the firm votes in a particular situation. Nonetheless, if a conflict arises, the firm will review and seek to resolve it in the best interests of the client.
Other Conflicts of Interest – from time-to-time other conflicts of interest may arise.	Avoidance, controls, and disclosure	We will continue to take appropriate measures to identify and respond to conflicts of interest and resolve them in the best interests of our clients.