



CONFLICTS OF INTEREST DISCLOSURE

1. DESCRIPTION OF MEMBER FIRM

Highgate Group is what is referred to as an “integrated” investment firm since we provide a broad range wealth management client services and products. We recognize that by definition we are more susceptible to conflicts of interest than many other corporations since we may regularly represent both sides of a transaction, namely, the buyer and the seller.

You can learn more about our firm at www.highgategroup.ca

Highgate Group defines a conflict of interest to include any circumstance where:

- the interests of different parties, such as the interests of a client and those of a registrant, are inconsistent or divergent
- a registrant may be influenced to put their interests ahead of their client’s interests, or
- monetary or non-monetary benefits available to a registrant, or potential detriments to which a registrant may be subject, may compromise the trust that a reasonable client has in their registrant.

The general types of conflicts of interest which can arise are:

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

As an investment dealer, we are a financial intermediary. We facilitate transactions between you as our client and a third party on the other side of the transaction through an “agency” trade where we have no ownership interest in the security traded.

2. MANAGEMENT OF CONFLICTS OF INTEREST

Highgate takes reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable between Highgate and the client, and between each individual acting on Highgate’s behalf and the client. When identifying, addressing, and disclosing material conflicts of interests, Highgate Group takes into consideration the following:

- identify existing and reasonably foreseeable material conflicts of interest between a client and the firm or any individual acting on the firm’s behalf,
- address all material conflicts of interest in the best interest of the client,
- avoid material conflicts of interest that cannot be otherwise addressed in the best interest of the client, and
- provide affected clients with disclosure of material conflicts of interest at account opening or in a timely manner if they are identified later.

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 physically separating different business functions and restricting the internal exchange of information.

Disclosure

Existing and potential material conflicts of interest situations, where not avoided, will be disclosed to the client as they arise.

3. ADDRESSING MATERIAL CONFLICTS IN THE BEST INTEREST OF THE CLIENT

When addressing material conflicts of interest in the best interest of clients, Highgate and its registered individuals must put the interests of their clients first, ahead of their own interests and any other competing considerations. Registrants must address material 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 the client’s best interest.

Registrants must avoid a material conflict of interest 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. Similarly, if a particular conflict is capable of being addressed by using controls, but the specific controls being used by Highgate are not sufficiently mitigating the effect of the conflict, Highgate must avoid that conflict until it has implemented controls sufficient to address the conflict in the best interest of the client.

Highgate must avoid a conflict if that is the only reasonable response in circumstances that is consistent with the obligation to address conflicts in the best interest of clients. Highgate must avoid such conflicts even if this means foregoing an otherwise attractive business opportunity or type of compensation for the firm or its registered individuals.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, you should never hesitate to ask your advisor for an explanation and more information.

4. 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. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators (CSA) and Canadian Investment Regulatory Organization (CIRO) for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

We document our core values and standards, including general standards for how we deal with conflicts of interest. You should also refer to the Statement of Policies. You can obtain a copy from your advisor on request or from our website at: www.highgategroup.ca.

5. POSSIBLE CONFLICTS AND HOW THEY ARE MANAGED

CONFLICT OF INTEREST	ADDRESS BY	HOW CONFLICTS WILL BE ADDRESSED
Ongoing Conflict of Interest		
We earn compensation by selling products and services to you for which you pay us.	Disclose Control	<ul style="list-style-type: none"> We will inform you of fees, commissions, and other compensation in advance so that you know what you will be paying. Please see our service fee brochure in our Important Client Information Booklet. We offer a variety of pricing options to choose from. Our advisors are required to recommend products and services to you based on an understanding of your needs and not to meet business targets in accordance with the Highgate's code of conduct/ or internal policies.
Suitability of Account Type	Control	<ul style="list-style-type: none"> At the time of account opening, all new accounts require the completion of the Client Account Assessment Form.
Different products and services have differing levels of compensation.	Disclose	<ul style="list-style-type: none"> Our compensation is disclosed to you, and we offer pricing alternatives intended to reduce the conflicts associated with commission-based pricing. We are required by industry regulations and firm policy only to make "suitable" investment recommendations.
	Avoid	<ul style="list-style-type: none"> We may choose not to offer a complex product that carries a high commission.
We would like you to use more of our services and buy more of our products.	Avoid	<ul style="list-style-type: none"> We do not engage in "tied selling", where purchase of one service is conditional on buying another as well, a practice that is prohibited by regulation in any event.
	Control	<ul style="list-style-type: none"> We have policies and procedures prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.

CONFLICT OF INTEREST	ADDRESS BY	HOW CONFLICTS WILL BE ADDRESSED
	Control	<ul style="list-style-type: none"> Management has put in place compliance programs to monitor investment advisors to help identify and address concerns.
Conflicts related to referral arrangements	Disclose	<ul style="list-style-type: none"> We are required by industry regulations and firm policy to provide a written disclosure to you at the time of referral
	Control	<ul style="list-style-type: none"> We have policies and procedures prohibiting recommendations solely for the purpose of the referral fee. Registrants must determine that making the referral is in the client's best interest
Conflict of Interest May Occur		
Our compensation, organizationally and individually, may involve commissions based on sales volume.	Disclose Control	<ul style="list-style-type: none"> We offer fee-based accounts as well as similar products such as no-load mutual funds, which have pricing structures designed to reduce commission incentives.
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 and commissions and "trailer fees" on segregated funds and insurance policies.	Disclose	<ul style="list-style-type: none"> We disclose to you the situations and type of third-party compensation we may receive. Please refer to other sections of this Important Client Information booklet. Securities regulations require issuers to provide specific disclosure in the offering document (e.g., prospectus) of such arrangements and the compensation we will receive.
We are compensated in other ways as a result of the business you may do with us, including uninvested cash deposits with us and foreign exchange spreads when you convert currencies.	Disclose	<ul style="list-style-type: none"> Various forms of other compensation we may receive are disclosed to you. Please refer to other sections of this Important Client Information and our other disclosures to you in that regard.
We may need to select which clients will be offered certain securities if availability is limited	Control	<ul style="list-style-type: none"> Individual advisors make the determination based on individual client relationships, suitability and general availability restrictions for certain clients (e.g. Accredited Investors only)
Allocating securities from an undersubscribed IPO to the firm's discretionary retail accounts	Control	<ul style="list-style-type: none"> Highgate Group has policies and procedures that must be adhered to by all employees. Supervisors conduct ongoing account monitoring to ensure no such activity occurs.
When employee accepts a gift from a customer which could compromise or give the impression of compromising his/her independence.	Control/Avoid	<ul style="list-style-type: none"> Highgate Group has an internal gifts and entertainment policy which must be adhered to by all employees.
We may have access to commercially sensitive or inside information	Control	<ul style="list-style-type: none"> We may decline to provide a service to avoid insider trading provision in securities legislation. We have specific procedures for responding to conflicts of interests that involve inside information and for complying with insider trading provisions
We distribute investment research that is produced by third parties.	Disclose Control	<ul style="list-style-type: none"> We have and follow written procedures under CIRO regulations that govern the distribution of third-party research.
Your advisor or representative may make permitted personal investments in private companies that manufacture investment products	Control	<ul style="list-style-type: none"> Your advisor or representative must have approved by us any such private investments when they are made. If such personal investments have been approved, your advisor or representative will disclose such an investment to you in writing

CONFLICT OF INTEREST	ADDRESS BY	HOW CONFLICTS WILL BE ADDRESSED
	Disclosure	<ul style="list-style-type: none"> Industry regulations dictate our best price and best execution obligations to you.
Employee uses personal account to deal ahead of large customer order	Avoid Control	<ul style="list-style-type: none"> Highgate Group has strict policies and procedures that are distributed and adhered to by all the firm's personnel with regards to frontrunning and client priority.
Individuals registered with us may also be registered with another registered firm or affiliated company.	Disclose Control Avoid	<ul style="list-style-type: none"> These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. We may disclose to you certain outside business activities as required by our regulator and advise you when your advisor is dually registered. We conduct due diligence and ongoing monitoring of services being provided in a similar manner as if the Highgate companies and affiliates were not related.
We may permit certain individuals who are registered with us (including your investment advisor or account representative) to be employed by, participate in, or accept compensation from other persons or firms, outside the scope of his/her relationship with us.	Disclose Control Avoid	<ul style="list-style-type: none"> These relationships are subject to legislative and industry regulatory requirements that impose restrictions on dealings between related registered firms and/or individuals that are dually registered with a related registered firm. Such restrictions are intended to minimize the potential for conflicts of interest resulting from these relationships. We have adopted internal policies and procedures that supplement the regulatory requirements, including policies on privacy and confidentiality of information. We may disclose to you certain outside business activities as required by our regulator.
Individuals may serve on a board of directors or take on other activities that could take time or attention away from your account	Avoid	<ul style="list-style-type: none"> Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm.
	Control	<ul style="list-style-type: none"> When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way, they are subject to regulatory guidance on the disclosure and approval of outside business activities

We have discretion or control over transactions in your account if it is a managed account or pooled investment fund	Disclose Avoid Control	<ul style="list-style-type: none"> • Regulations require that we disclose and obtain your specific approval to purchase related and connected securities when we have discretionary power to do so. • We are required by securities legislation to prohibit transactions where the individual advisor may have an interest or have influence or control. • When we have discretionary power to manage your account for you, regulations require that we disclose to you and obtain specific approval to buy securities of either related or connected companies.
We may sell you securities which we own (called principal trades) and profit by doing so.	Disclose	<ul style="list-style-type: none"> • We will tell you whether we acted as principal or agent for each transaction on the trade confirmation. • In the case of fixed-income securities we are required to provide you with a stated yield to maturity so you can assess the competitiveness of our pricing.
Supervisory Structure and Compensation leading to the company making suboptimal decisions which could harm the client	Avoid	<ul style="list-style-type: none"> • Company has policies in place to discourage staff from acting this way and supervisors are paid based on objective process which is peer reviewed and related to overall company performance.