



## **Relationship Disclosure Information**

## 1. Introduction

The disclosure provided in this document is meant to deliver to our clients all information that a reasonable investor would consider important regarding your relationship with Prime Quadrant Corp. (“**Prime Quadrant**” or “the Firm”). We encourage you to read this document carefully to understand its contents. If you have any questions, please contact us by telephone (647-749-4118) or by e-mail ([compliance@primequadrant.com](mailto:compliance@primequadrant.com)).

Some of the information we are required to provide about our relationship with you may be contained in other documents we have provided to you or will provide to you from time to time. These additional documents are hereby incorporated by reference into this document.

If there is a significant change to the information contained in this document, it will be made available on [www.primequadrant.com](http://www.primequadrant.com) and notice of any change will be provided to you in a timely manner.

## 2. Who We Are

Prime Quadrant Corp., carrying on business as Prime Quadrant, is registered as a portfolio manager, exempt market dealer in the provinces of Ontario, Quebec, Manitoba, Alberta, and British Columbia. Prime Quadrant is also registered as an investment fund manager in the provinces of Ontario and Quebec. Prime Quadrant provides independent investment management services to individuals, institutions, and other organizations.

## 3. Our Products and Services

Prime Quadrant provides investment research and consulting services to high net worth families. Most of the consulting work that we do for clients is undertaken on a “non-discretionary” basis, meaning that our clients make their own investment decisions based on the research and consulting services that we provide to them. Although we believe it is important that investors maintain ultimate responsibility for their portfolios, sometimes we will enter an agreement to provide “discretionary” investment management services, where our clients grant us a mandate to make investment decisions for them based on a pre-agreed plan. The primary goal of this service is to provide our clients with lower cost access to particular investment opportunities (e.g., F-Class funds) or outcomes (e.g., liquidating securities at a lower cost). In practice, however, we expect to discuss any of the trading we direct within these mandates with our clients before execution.

Prime Quadrant also manages and selects securities for certain proprietary private pooled funds and may place certain of its discretionary and non-discretionary clients into these private proprietary pooled funds (see Section 15 - Conflicts of Interest for further details).

Finally, where Prime Quadrant has sufficient capacity in an investment opportunity, we will offer the additional capacity to our transactional dealing clients.

## 4. Suitability Assessment

Where Prime Quadrant provides advisory or dealing services to you, Prime Quadrant has an obligation to take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from you to buy or sell a security or takes any investment action, as applicable, the investment action is suitable for you. Prime Quadrant must put the client’s interest first when it takes an investment action for the client.

To meet this suitability obligation, we collect “know-your-client” (“**KYC**”) information from you at the time you confirm your engagement with us, such as: information about your personal circumstances, financial situation, investment goals and objectives, investment horizon, investment knowledge and experience, and make a determination regarding your risk profile, which includes your willingness to accept risk (risk tolerance) and ability to endure financial loss (risk capacity). In order to satisfy our obligation to assess suitability on an ongoing basis after you open your account, as applicable, we update your KYC information on a periodic basis.

To meet our suitability obligation, we must also “know” and understand each investment we place you in. Through our “know-your-product” (“**KYP**”) due diligence process, the Firm analyzes every investment we place

you in or recommend to you. Without limitation, as part of the Firm's KYP process, we generally consider such things as the reputation and track record of the investment product, the potential for profit and loss, the associated risk level and potential for conflicts of interest, the investment's time horizon and complexity and the specific features of any investment, including costs and fees, liquidity, redemption rights and the frequency, completeness, and accuracy of an issuer's disclosure.

Once we have collected your KYC information and we have conducted our KYP process, we can then use all of that information to determine whether or not an investment is suitable for you. Should there be any changes to your KYC information during the year, it is your responsibility to let us know as quickly as possible. All personal, confidential information we receive from you will be treated in accordance with our Privacy Policy, Appendix A to this document.

## 5. Fees and Operating Expenses

Prime Quadrant charges fees for the different services it offers. These fees are set out in the agreement(s) you signed with Prime Quadrant and, in particular, Appendix A to that agreement(s). Please see your agreement(s) for more information.

Please note that all fees will be subject to an annual inflationary increase of 3.5% to help cover ongoing administrative cost increases to deliver our services, including personnel, compliance and legal overheads. Any further increases in fees will not be applied without consultation and your express written consent. All increases will be applied on the 1st day of each calendar year, provided that this is at least six (6) months following the date of the execution of your original agreement. If the first day of the calendar year is less than six (6) months following the date of the execution of your original agreement, then the increase will be applied at the beginning of the following calendar year.

In addition to our fee(s), you may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by independent managers, custodial fees, brokerage commissions, and transaction fees.

## 6. Related and Connected Entities

The word "connected" is intended to involve a state of indebtedness to, or other relationship with, Prime Quadrant or those "related" to Prime Quadrant that, in connection with a distribution of securities, would be material to a purchaser of the securities; and the word "related" is intended to involve positions permitting, through ownership or otherwise, a controlling influence, and would include all companies under a common controlling influence. All the Prime Quadrant Funds (as defined below) are related and connected issuers. Please see Appendix C for all related and connected entities of Prime Quadrant.

## 7. Custody of Your Assets

Prime Quadrant does not hold or have access to clients' assets. Where Prime Quadrant acts with discretionary authority over its clients' accounts, Prime Quadrant will use National Bank Independent Network ("NBIN") and its affiliates to custody the assets in your account. If you have granted us discretionary authority to act as your portfolio manager of assets on your account with NBIN pursuant to an investment management agreement the following applies to you:

- Prime Quadrant Corp. ("Prime Quadrant") and National Bank Independent Network ("NBIN"), a division of National Bank Financial ("NBF") have entered into a Portfolio Manager Services Agreement (the "PM Services Agreement") pursuant to which NBIN has agreed to provide certain services including: (i) establishing and servicing an account in your name (the "account"); and (ii) providing certain administrative services in connection with the account; and (iii) executing trades for your account. NBF holds your assets in the account as custodian. Under the PM Services Agreement, Prime Quadrant is responsible for providing NBIN with all instructions related to securities transactions to be executed for the account, ensuring such transactions are suitable for you and for complying with

all applicable “know your client”, “know your product” and anti-money laundering obligations (the “Arrangement”).

- The Arrangement with NBIN is intended to enhance the protection of client assets since NBIN is a qualified custodian that is functionally independent from Prime Quadrant. Although Prime Quadrant will monitor the services performed by NBIN and believes that they are an appropriate custodian, in the event of the bankruptcy or insolvency of NBIN, there is no certainty that you will not incur losses due to your assets being unavailable for a period of time, the ultimate receipt of less than full recovery of your assets, or both. You will only pay custody fees on assets held in an account at NBIN that is not directly invested in either one of the Prime Quadrant Funds (as defined below) or any other exempt investment as detailed by NBIN in the PM Services Agreement.
- With the exception of certain standing instructions, we may collect from you, we do not hold or have access to your assets.

#### *Client Reporting*

NBIN will provide you with monthly reports in respect of your account. The reports will contain transaction information covering each transaction that was made in the account during the relevant period and a description of the assets held in the account, as required by applicable law. Both Prime Quadrant and NBIN are responsible for ensuring that the information in the statements you receive from NBIN is complete and accurate. Please contact us at [compliance@primequadrant.com](mailto:compliance@primequadrant.com) if you have a concern with your statements. Prime Quadrant will provide you with an annual report on charges and other compensation and an annual investment performance report, as applicable. The assets in the account will be held by NBF at its office in Toronto.

NBIN may also be used as custodian for the Prime Quadrant Funds. Please refer to the offering document for any of the Prime Quadrant Funds for further information on the custodian.

## **8. Your Account Statements and Reports**

Where specified as a service by Prime Quadrant in your agreements, every quarter Prime Quadrant will provide you with a statement that includes details about each transaction or activity that occurred in your account during the previous quarter and information about each security, including its cost, and the cash balance, if any, in your account at the end of the month. If you wish, Prime Quadrant will provide you with such statements on a monthly basis.

Prime Quadrant will provide you with an annual report on any charges that you paid to Prime Quadrant as well as any other compensation that Prime Quadrant received in connection with operating your account. Prime Quadrant will also provide you with a report, at least annually, on the investment performance of each of your Prime Quadrant investments or, with your consent, all your Prime Quadrant investments on a consolidated household basis. Prime Quadrant may not, and is not obligated, to provide such a report to any client who is a “permitted client” as defined in Canadian securities regulations and who is not an individual.

## **9. Risks Associated with Investing**

All investments, apart from certain “guaranteed” investment products, are subject to fluctuations in value and risk of loss and, unlike bank accounts or guaranteed investment certificates, the value of stocks, bonds, money market securities and investment funds is not covered by the Canada Deposit Insurance Corporation or other government deposit insurer.

Before finalizing an investment policy statement for your Prime Quadrant-managed account(s), carefully consider your investment goals, your level of risk tolerance and the risks associated with the type of securities that Prime Quadrant might recommend to you or purchase for your account. The following are risks that might affect your investments:

- **General market risk** – the risk that the performance of or outlook for an industry, sector, region, or country or the general economic, social or political climate might negatively impact securities in general.
- **Interest rate risk** – the risk that a change in interest rates will have a negative effect on the value of fixed income securities or the securities of entities highly affected by interest rate levels.
- **Currency risk** – the risk that a security denominated in a currency other than Canadian dollars will be adversely impacted by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.
- **Inflation risk** - risk of decline in the purchasing power of the client's savings due to a general rise in prices.
- **Security risk** – the risk that the issuer of a security will not meet its business, financial and other goals and that this will have a negative effect on the value of the issuer's securities.
- **Default risk** – the risk that the issuer of a security will be unable to pay the interest, dividends or other payments owed to you and the associated risk that the market value of the security will be negatively affected as the possibility of a default increases.
- **Foreign market risk** – the risk of heightened volatility in the price of a security and/or a heightened possibility of financial loss as a result of the security being issued in or subject to the laws of a foreign jurisdiction.
- **Concentration risk** – the risk that focussing security holdings in a particular issuer, group of issuers, industry, sector, country or region or to produce a particular impact will entail more market value volatility and a greater risk of financial loss than if security holdings were more diversified.
- **Derivative risk** – the risk that the counterparty to a derivative contract will not meet its obligations.
- **Liquidity risk** – the risk that a security can not readily be converted into cash when required.

## 10. Using Borrowed Money to Purchase Securities

Securities may be purchased using available cash or a combination of available cash and borrowed money. If available cash is used to pay for the securities in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities purchased. However, using borrowed money to purchase securities can magnify the gain or loss on the cash invested. This is called leveraging.

The use of leverage is not suitable for all investors. If you are considering borrowing money to make investments or considering providing us with borrowed money to make investments on your behalf, please be advised that a leveraged purchase involves greater risk than a purchase using available cash resources only. You need to consider carefully to what extent a leveraged purchase may create undue risk based on your personal circumstances, your risk tolerance and return objectives before borrowing money.

## 11. Use of Benchmarks

An investment performance benchmark is a market or industry sector index against which you can measure the relative performance of your investment. Benchmarks should reflect a similar asset class, industry sector and/or risk level so they are comparable to the investment you are comparing the performance to. By comparing your investment to a benchmark that closely replicates the investment or investment's strategy, you can see how your investment performed compared to the market or industry sector. It is important to note, however, that benchmarks do not include operating or transaction charges or any expenses related to the investment, all of which impact an investment's performance.

While Prime Quadrant may use benchmarks for internal research purposes, we do not currently use benchmark comparisons as part of our reporting to our clients.

### *Internal Targeted Returns*

While Prime Quadrant does not use external benchmarks, Prime Quadrant's Investment Committee sets longer-term target returns for each primary asset class based on several factors including historical returns, expected market conditions and our expectations, along with those of other institutions whom we respect. While these target returns are adjusted from time to time, these changes should be infrequent. These internal targeted returns may show up in reporting we give to you.

## 12. Compensation Received by Prime Quadrant

Prime Quadrant may receive placement or trailer fees or other compensation from investment managers for investments made by its clients; however, to the extent that it is legally permissible, Prime Quadrant reduces the fees paid by our advisory clients by an amount equal to all placement or trailer fees or such other forms of compensation in order to forward all savings on to its advisory clients and avoid all conflicts of interest. For investments made on behalf of our transactional dealing clients, placement or trailer fees or other forms of compensation received from investment managers will usually be retained by Prime Quadrant.

Occasionally, Prime Quadrant may be directly involved in the structuring and execution of an investment in order to make it available for our clients. To recover our costs, we may receive a time-based fee paid by the investment structure directly (and therefore indirectly by any clients that choose to participate).

All such compensation is defined in advance of any client transaction and all compensation received in respect of our services to you will be set out in either a formal agreement or otherwise agreed in writing prior to the execution of our services. In addition, you will be provided with a statement indicating the amount and type of compensation, if any, Prime Quadrant has received in connection with investments made on your behalf. Please see Section 15 – Conflicts of Interest for further information.

## 13. Your Privacy

Prime Quadrant has established protocols to prevent the loss of, unauthorized access to or disclosure of personal and/or confidential information that Prime Quadrant collects about its clients. “Personal information” is defined in Canadian law as information about an identifiable individual and includes, but is not limited to, race, national or ethnic origin, religion, age, marital status, medical, education or employment history, financial information, DNA, social insurance number and driver’s license number. Please see Appendix A for Prime Quadrant’s Privacy Policy.

## 14. Proxy Voting

Where Prime Quadrant has authority over a client’s NBIN account or within its pooled funds, Prime Quadrant has discretion to vote proxies on behalf of these accounts. In exercising such discretion, and to minimize any potential for conflicts of interest, Prime Quadrant will ensure that securities are only voted in the best interest of its clients. Further, Prime Quadrant does not invest in securities of issuers in order to exercise control over or to participate in the management of issuers.

## 15. Conflicts of Interest

Under applicable Canadian securities laws, we are required to address and manage existing, as well as reasonably foreseeable, material conflicts in the best interests of our clients. A conflict of interest can include any circumstance where:

- a) the interests of different parties, such as the interests of the Firm and those of a client, are inconsistent or divergent;
- b) the Firm or one of its registered representatives may be influenced to put their interests ahead of a client’s interests; or
- c) monetary or non-monetary benefits available to the Firm or a registered representative, or potential detriments to which they may be subject, may compromise the trust that a reasonable client has in the Firm or the individual.

Whether a conflict is “material” or not depends on the circumstances. In determining whether a conflict is material, we will typically consider whether the conflict may be reasonably expected to affect the decisions of our clients in the circumstances, and/or the recommendations or decisions of the Firm or its registered representatives in the circumstances.

What follows below are details regarding the specific material conflicts of interest that we have identified to date. In case other material conflicts of interest arise, which may happen from time to time, we will inform you

of the nature and extent of any such other conflicts of interest prior to any of your subsequent transactions with us or our advice to you.

### ***1. Proprietary Products and Connected Issuers***

For the purposes of this summary, (i) the word “connected” is intended to involve a state of indebtedness to, or other relationship with, the registrant or those “related” to the registrant that, in connection with a distribution of securities, would be material to a purchaser of the securities; and (ii) the word “related” is intended to involve positions permitting, through ownership or otherwise, a controlling influence, and would include all companies under a common controlling influence.

Prime Quadrant’s business model includes managing certain proprietary funds (the “Prime Quadrant Funds”). The Prime Quadrant Funds are connected/related to Prime Quadrant because the Firm established the Prime Quadrant Funds and acts as their portfolio manager and investment fund manager. Please see Appendix C for a list of all related and connected entities of Prime Quadrant.

Regulators have noted that where a registered firm distributes securities of connected/related issuers, a material conflict of interest exists because Prime Quadrant may have an incentive to recommend the Prime Quadrant Funds to its clients over other third-party funds that do not provide similar incentives. Prime Quadrant may also be incented to fail to disclose or provide inadequate disclosure to investors about the Prime Quadrant Funds in cases where there is negative information (for example, where a company owned by one of the Prime Quadrant Funds is experiencing financial difficulty), resulting in investors taking on more risk than they could, or wish to, bear.

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

- On an annual basis, Prime Quadrant conducts an analysis of similar funds available to a similar client base. Prime Quadrant is comfortable that the Prime Quadrant Funds compare favorably to these similar funds.
- Prime Quadrant has policies and procedures in place to ensure that its representatives conduct a suitability analysis for each client accepted into the Prime Quadrant Funds. This suitability analysis ensures that the Prime Quadrant Funds are appropriate for that client. Certain types of clients may be able to waive this suitability.
- In conducting its suitability analysis for a client, each representative of Prime Quadrant will have a thorough understanding of: (i) the structure and features of the Prime Quadrant Funds; and (ii) amongst other client information, the personal and financial circumstances of that relevant client.
- Prime Quadrant has retained independent legal and regulatory counsel to provide ongoing training regarding a representative’s suitability obligations when accepting a client into the Prime Quadrant Funds.
- Prime Quadrant representatives are not directly incentivized for accepting a client into the Prime Quadrant Funds. Specifically, no Prime Quadrant representative is subject to sales or revenue targets or earns commission based on Prime Quadrant Funds recommended or sold.

### ***2. Third Party Compensation***

Prime Quadrant may recommend third party products that in turn provide compensation to Prime Quadrant. Specifically, Prime Quadrant may receive: i) referral or distribution fees from third party managers; or ii) structuring fees for assisting with creating a third-party fund share class that would appeal to Prime Quadrant clients.

Absent appropriate controls, clients may perceive a Prime Quadrant recommendation as being driven by third party compensation as opposed to what is appropriate for the client. Prime Quadrant takes the following steps to mitigate the actual and potential conflicts of interest described above:

- All referral or distribution fees received by Prime Quadrant are rebated back to Prime Quadrant clients, where legally permissible. Prime Quadrant does not retain any referral or distribution fees collected on account of a recommendation to a third-party manager, other than for Transactional Clients
- Prime Quadrant specifically discloses any third-party fee arrangements to its clients.
- Third party compensation does not factor into Prime Quadrant's investment product reviews in any way.
- Prime Quadrant employees are not directly incentivized to recommend any specific product.

### ***3. Internal Compensation Arrangements***

Prime Quadrant offers several family office type services and its employees could be perceived as being motivated by the Firm to encourage a client to expand its services with Prime Quadrant. Additionally, Prime Quadrant employees could be perceived as motivated by the Firm to encourage the purchase of any of the Prime Quadrant Funds.

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

- Prime Quadrant employees are not directly incentivized to recommend any specific product.
- The majority of any Prime Quadrant employee compensation is paid on a fixed salary basis. Any variable bonus element of employee compensation is significantly smaller than the fixed component.
- Variable bonus employee compensation is determined on clear criteria that do not include revenue targets and generally revolves around Prime Quadrant client satisfaction.
- The Chief Compliance Officer reviews client files and suitability recommendations of registered Prime Quadrant employees from time to time. Prime Quadrant employees understand that any variable bonus compensation could be affected if suitability issues are found during these reviews.

### ***4. Conflicts at the Supervisory Level***

One of the mitigation tools that Prime Quadrant uses to control for the compensation conflicts of its employees (see Item 3 above) is a Chief Compliance Officer review of suitability recommendations. However, it may be perceived that the Chief Compliance Officer could be conflicted during these reviews in that they also may receive variable bonus compensation. To address this conflict, Prime Quadrant has structured the compensation of its Chief Compliance Officer such that any variable bonus compensation represents a small portion of their overall compensation package.

### ***5. Fee Based Accounts***

Prime Quadrant could be conflicted where it holds commissioned based securities in fee-based accounts. Specifically, it could be perceived that Prime Quadrant is obtaining dual compensation in that it is earning any fees associated with the management of the account while also recommending securities that drive additional compensation to Prime Quadrant. This is sometimes referred as "double charging" the client. However, as Prime Quadrant: i) rebates any and all commissions earned from third parties for any of its recommendations; and ii) does not charge a fund management fee for any of its Prime Quadrant Funds invested through a fee-based account, Prime Quadrant will never "double charge" a client.

### ***6. Referral Arrangements***

Prime Quadrant does not actively seek out referral arrangements. However, from time to time, Prime Quadrant may enter into referral arrangements where another party refers clients to us or where we refer clients to a third party for a fee.

When referring a client to a third party, or accepting a referred client, Prime Quadrant must ensure that such a relationship is in the best interest of the client. Prime Quadrant should not enter into a referral arrangement solely because of the referral fee that they will receive from that party. Furthermore, if a client pays more for the same, or substantially similar, products or services as a result of a referral arrangement, Prime Quadrant would not be seen as appropriately discharging its obligations to its clients.



In order to mitigate any actual or potential conflicts, Prime Quadrant will bring the referral relationship and the terms of that referral relationship to the attention of the referred client. In addition to client disclosure, Prime Quadrant has adopted several procedures to ensure it determines that accepting a referral is in a referred client's best interest. These procedures include: (i) requiring Chief Compliance Officer approval of any referral arrangement; (ii) conducting due diligence on potential third-party referrers; (iii) ensuring that the referred client does not pay additional fees or compensation for the same service or product provided to other Prime Quadrant clients as a result of the referral arrangement; and (iv) keeping a record of all payments related to Prime Quadrant's referral arrangements.

#### ***7. Affiliated Firms Providing Other Products or Services***

Prime Quadrant's parent company is Focus Financial Partners, a US based company that invests in wealth management firms. One of the managers that the Prime Quadrant Funds may invest in is SCS Financial. SCS Financial's parent company is also Focus Financial Partners.

Additionally, Prime Quadrant sponsors the Prime Quadrant Foundation (the "Foundation"), a non-profit organization whose mission is to improve the quality of life and healthcare in the community. The Foundation hosts events such as the Lunches with Legends series. This series is promoted by Prime Quadrant to its clients as learning and networking opportunities.

The above affiliated companies operate in the financial services sector. Accordingly, it may be perceived that Prime Quadrant would be inclined to prefer these related parties over other entities or services which may be a better solution for Prime Quadrant clients. As an example, it may be perceived that a Prime Quadrant Fund is only investing in SCS Financial due to Prime Quadrant's relationship with Focus Financial Partners. Furthermore, the Foundation is run by employees of Prime Quadrant and employs a similar name and branding. Clients may become confused as to which entity they are dealing with, the Foundation or Prime Quadrant.

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

- The Prime Quadrant Funds employ: i) a robust and documented due diligence process; and ii) ongoing performance monitoring processes. Accordingly, any investment in SCS Financial can be objectively substantiated.
- Prime Quadrant employees are prohibited from investing in Focus Financial Partners.
- Prime Quadrant employees are not directly incentivized to recommend any specific product.
- Prime Quadrant employees employ policies and procedures to ensure that written communication, business cards and presentations always clearly identify what entity that employee is currently acting for. This identification policy mitigates any client confusion.

#### ***8. Outside Activities***

Prime Quadrant's registered individuals may become involved in other activities outside of their employment with Prime Quadrant (e.g., sitting on boards of directors or providing volunteer services for a charity). These outside activities could: (i) impact the amount of time a Prime Quadrant registered individual spends on Prime Quadrant employment or registration obligation; and (ii) create a conflicting interest as to how a Prime Quadrant registered individual discharges its obligations to Prime Quadrant or its clients.

Prime Quadrant has policies and procedures to ensure that all outside activities are reported to and considered by its Chief Compliance Officer. The Chief Compliance Officer will only approve such outside activities that do not conflict with Prime Quadrant operations or obligations.

#### ***9. Best Execution***

Prime Quadrant may hire a brokerage firm to execute trades on behalf of the Prime Quadrant Funds based on a pre-existing relationship, rather than objective qualitative or quantitative considerations. This is considered a best execution conflict of interest.

Prime Quadrant has policies and procedures to ensure that when Prime Quadrant directs brokerage transactions to brokers, the service is comparable to that which Prime Quadrant may obtain from other brokers and the commission rates are equivalent to or better than those that would have been normally charged by the broker. Prime Quadrant monitors the level of service provided by any broker retained on behalf of the Prime Quadrant Funds with respect to the cost and execution of trades.

#### ***10. Fair Allocation of Investment Opportunities***

Prime Quadrant owes its clients a duty to treat each client fairly. This duty must be considered when allocating investment opportunities.

##### ***Non-Exempt Securities***

Where an allocation is insufficient to meet the demand of each interested client, as a general policy, and to the extent that no client will receive preferential treatment, the Firm will address fair allocation for Non-Exempt Investment Opportunities as follows:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated proportionately based on the amount of each client's order or account equity as appropriate;
- where a block trade is filled at varying prices for a group of clients, fills are allocated on an average price basis; and
- in the case of IPOs (again, not securities the Firm expects to recommend to clients but included here for the sake of completeness), participation is allocated proportionately based on the amount of each client's order or account equity as appropriate.

Further detail regarding our fair allocation policy is contained in our compliance manual and is available upon request.

##### ***Exempt Securities***

Where an allocation to an exempt market investment opportunity is insufficient to meet the demand of all interested clients, as a general policy, and to the extent that no Investment Advisory ("IA") or Investment Solutions ("IS") client will receive preferential treatment, all orders received from FPC and IS clients will be prorated to match the capacity. If there is more capacity than demand for an investment opportunity from IA and IS clients, the additional capacity will be offered to transactional clients of Prime Quadrant ("**Transactional Clients**"). For further clarification, Prime Quadrant will offer all of its IA and IS clients the opportunity to participate in an investment offering. It may choose not to do the same for Transactional Clients.

In certain situations, a manager may impose a minimum investment threshold for a particular offering. Where a required pro-rata allocation would prevent a client or client(s) from investing by reducing their investment amount below that threshold, Prime Quadrant will endeavor to allocate the minimum to those impacted clients before pro-rating the remaining capacity amongst larger orders, in an effort to maximize participation opportunities amongst its clients.

In furtherance of Prime Quadrant's policy that it puts its own capital alongside its clients, Prime Quadrant employees may also invest, however such employees may only invest where there is sufficient allocation for all existing clients to first participate.

Prime Quadrant may choose to override the above fair allocation approach in the event Prime Quadrant believes it appropriate to allocate a particular investment to a smaller group of Prime Quadrant's clients. It may also cap an individual client's allocation relative to the overall size of the opportunity or their portfolio if appropriate for the situation based on suitability and concentration. Should this occur, Prime Quadrant will still ensure that all IA and IS clients are treated equitably on an aggregate basis over time. Specifically, while an IA or IS client may not be presented with a specific investment opportunity, over the course of their relationship with Prime Quadrant they will be exposed to comparable opportunities on an aggregate basis.

Further detail regarding our fair allocation policy is contained in our compliance manual and is available upon request.

### ***11. Gifts and Entertainment***

While it is recognized that conducting business may involve some modest exchange of gifts and business-related entertainment, the value of such gifts and entertainment must not create a real or perceived conflict of interest and must not impair the independence or objectivity of the recipient.

Prime Quadrant has policies and procedures in place with respect to the receipt or giving of gifts and/or entertainment. These policies and procedures require employees to contact the Chief Compliance Officer with any concerns about the receipt or giving of a gift or entertainment and whether that may create a conflict of interest. Further, employees are required to notify the Chief Compliance Officer upon receipt of a gift or entertainment in excess of \$200 (on an individual basis).

## **16. Our Complaint Handling Process**

If you have a complaint, we will make every reasonable effort to deal with it to your satisfaction. You may make your complaint orally or in writing. However, we request that you make your complaint in writing and provide as many relevant details as possible. Please see Appendix B for our complaint process.

**If you are a resident of Quebec:** Your independent service will be the Autorité des marchés financiers (the “AMF”). For more information about the AMF, please visit [autorite.qc.ca](http://autorite.qc.ca). You can contact the AMF via telephone toll-free at 1-877-525-0337.

## **17. Your Protection as an Investor**

Prime Quadrant carries financial institution bond insurance in the amounts prescribed under *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations* against various losses including but not limited to employee dishonesty, forgery, theft and other fraudulent means.

If your assets are held by a custodian, there may be additional coverage protecting your assets. Please consult your custodian(s) directly for additional information.

## **18. Your Role in Our Relationship**

It is important that you participate actively in our relationship. We encourage you to:

- provide us with full and accurate information about your financial situation, investment objectives, risk profile, time horizon and other information relevant to assisting you to meet your investment goals and promptly inform us of any material changes to that information that could result in a change in our assessment of the types of investments suitable for you
- carefully review the information in your account opening documentation and any other information provided to you in relation to your account and ask us any question you have about the information
- carefully review all account statements and reports you receive from Prime Quadrant and your custodian(s) and promptly contact us to discuss and resolve any discrepancies between them and your own records
- consult professionals, such as a lawyer or an accountant for legal or tax advice where appropriate and
- ensure that you understand the information contained in this document by reading it carefully and asking questions of Prime Quadrant or your Prime Quadrant adviser if you need any clarification of your relationship with Prime Quadrant or any individual acting on Prime Quadrant's behalf.

## **Appendix A**

### **Privacy Policy**

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Prime Quadrant Corp. ("Prime Quadrant") is committed to providing clients with the highest possible level of service. We understand how important it is to you, as our client, that we protect your privacy and the confidentiality of the personal information that you have entrusted to us.

As part of our commitment to you, we have established policies regarding the collection, use, disclosure and protection of your personal information. The points below outline what information we have, why we need it and how it is used, shared and protected. We also outline what rights you have with respect to your own privacy.

#### **What Personal Information Does Prime Quadrant Have and Why do We Need It?**

Personal information refers to information that identifies you. It is primarily collected when you first establish your relationship with Prime Quadrant through our account opening process; however, there may be future requests for updated information as circumstances change.

For a personal account this information would include your name, address, contact information, date of birth, occupation, marital status, social insurance number, current financial position, investment experience, risk tolerance and intended use of your account. We are also required to directly examine certain government-issued identification to assist in addressing anti-money laundering requirements.

For corporate, trust, estate and other non-personal accounts, we will need to obtain personal information about all persons authorized to provide directions and for all beneficial owners. We will also request to review original or notarized copies of documentation that confirm the existence of the entity.

We need your personal information in order to establish your identity, meet regulatory requirements and protect you and us from error and fraud. Most importantly, this information assists us in being able to provide you with the best possible service.

#### **How Do We Obtain Your Personal Information?**

Personal information is received directly from you or from your representative with your consent.

You always have the option of not providing the personal information that is requested; however, Prime Quadrant may not be able to open or maintain your account or provide services to you.

#### **How Is Your Personal Information Used?**

Your personal information is used to identify you, establish and administer your accounts, execute transactions and to provide you, or your authorized representative, with account statements, tax receipts and any other information that may be requested or needed to service your account.

Your information is also used in our internal business operations and is necessary in fulfilling our legal and regulatory requirements.

#### **With Whom is Your Personal Information Shared?**

Client confidentiality and privacy is one of Prime Quadrant's fundamental principles. We will never sell or distribute your personal information to others. However, there are circumstances where we may share your information with others outside of Prime Quadrant including:

- Third party service providers that Prime Quadrant hires to perform services on your behalf. We provide them with a limited amount of information in order that they may provide services including record keeping, document storage and statement preparation and distribution. They are prohibited from using the information provided for any other purposes other than to carry out the specific service they have been engaged to provide and they are not permitted to disclose this information to others.
- Your financial advisors, only where we have your written consent to do so.

- Government Agencies that regulate Prime Quadrant and its business, including (but not limited to) various Provincial Securities Commissions and Canada Revenue Agency.
- As permitted or required by law, Prime Quadrant is compelled to disclose personal information in response to a law, regulation, court order, subpoena, valid demand, search warrant or other legally valid request or enquiry. We may also disclose information to our accountants, auditors, agents and lawyers in connection with the enforcement or protection of our legal rights.

### **Where is your Personal Information Kept And For How Long?**

Your personal information may be kept in electronic or paper format at the offices of Prime Quadrant or its third-party service providers. Your information may also be kept in secure off-site storage facilities.

Record retention laws and industry rules provide that we must keep and update all personal information for as long as an account is open and a service is provided to a client. We are also required to retain information for as long as legally necessary after a relationship ends in order to respond to any issue that may arise at a later date.

### **How Is Your Information Protected?**

Client confidentiality and privacy is fundamental to the way we do business at Prime Quadrant. Our internal code of ethics requires all employees to maintain client confidentiality and each year our employees are required to certify in writing that they will comply with these high standards.

Policies, procedures, guidelines and safeguards have been put in place to ensure your personal information is protected. Our employees and service providers have access to your information to enable them to perform their duties in servicing you. Prime Quadrant maintains the highest standards of information security in order to prevent unauthorized access to your personal information. Most of your personal information is in the form of account documentation and transaction records which are both protected by physical locks, computer passwords and by limiting access to only those that need it to service your needs quickly, completely and accurately.

### **What Privacy Rights Do You Have?**

Upon request, we will provide you with access to your personal information. In addition, we may provide you with a list of third parties to whom your information was provided.

Prime Quadrant encourages you to review any information received from us or our service providers on a regular basis and to contact us to correct inaccurate, incomplete or outdated information.

You may withdraw your consent for the use of your personal information by notifying Prime Quadrant in writing of your intention to do so. Legal and other requirements may prevent you from withdrawing consent. Also, your decision to withdraw consent may mean that Prime Quadrant is no longer able to open or maintain your account or provide any services.

If you have any questions or concerns regarding this Privacy Policy, you may contact our Privacy Officer in writing at [compliance@primequadrant.com](mailto:compliance@primequadrant.com)

## Appendix B

### What To Do If You Have A Complaint

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#### Our complaint process

##### Filing a complaint with us

If you have a complaint about our services or a product, contact us at [compliance@primequadrant.com](mailto:compliance@primequadrant.com)

You may want to consider using a method other than email for sensitive information.

##### Tell us:

- what went wrong
- when it happened
- what you expect, for example, money back, an apology, account correction

##### We will acknowledge your complaint

We will acknowledge your complaint in writing, as soon as possible, typically within 5 business days of receiving your complaint.

We may ask you to provide clarification or more information to help us resolve your complaint.

##### Help us resolve your complaint sooner

- Make your complaint as soon as possible.
- Reply promptly if we ask you for more information.
- Keep copies of all relevant documents, such as letters, emails and notes of conversations with us.

##### We will provide our decision

We normally provide our decision in writing, within 90 days of receiving a complaint.

It will include:

- a summary of the complaint
- the results of our investigation
- our decision to make an offer to resolve the complaint or deny it, and an explanation of our decision

##### If our decision is delayed

If we cannot provide you with our decision within 90 days, we will:

- inform you of the delay
- explain why our decision is delayed, and
- give you a new date for our decision

You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

##### If you are not satisfied with our decision

You may be eligible for OBSI's dispute resolution service.

##### A word about legal advice

You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights later on.

##### Taking your complaint to OBSI

You may be eligible for OBSI's free and independent dispute resolution service if:

- we do not provide our decision within 90 days after you made your complaint, or
- you are not satisfied with our decision

OBSI can recommend compensation of up to \$350,000. OBSI's service is available to clients of our Firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

##### Who can use OBSI?

You have the right to use OBSI's service if:

- your complaint relates to a trading or advising activity of our Firm or by one of our representatives
- you brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint, and
- you file your complaint with OBSI according to its time limits below

#### **Time limits apply**

- If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.
- If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

#### **Filing a complaint with OBSI**

##### **Contact OBSI**

Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

##### **OBSI will investigate**

OBSI works confidentially and in an informal manner. It is not like going to court, and you do not need a lawyer. During its investigation, OBSI may interview you and representatives of our Firm. We are required to cooperate in OBSI's investigations.

##### **Information OBSI needs to help you**

OBSI can help you best if you promptly provide all relevant information, including:

- your name and contact information
- our Firm's name and contact information
- the names and contact information of any of our representatives who have been involved in your complaint
- details of your complaint
- all relevant documents, including any correspondence and notes of discussions with us

## Appendix C

### Related and Connected Entities of Prime Quadrant

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Name of Affiliated Party	Nature of relationship with the Registrant
SCS Capital Management LLC and funds that it may manage from time to time	SCS Capital Management LLC and Prime Quadrant have a shared parent entity in Focus Financial Partners. SCS Capital Management and Prime Quadrant are run by separate management teams. Prime Quadrant may invest some of its clients into SCS managed funds either directly or through a pooled fund vehicle set up by Prime Quadrant.
Private Equity Access LP	Prime Quadrant manages this fund
Real Assets Access LP	Prime Quadrant manages this fund
Diversifying Strategies Access LP	Prime Quadrant manages this fund
Private Credit Access LP	Prime Quadrant manages this fund
Venture Growth Access LP	Prime Quadrant manages this fund
Prime Quadrant Special Purpose VR 2019 LP	Prime Quadrant manages this fund