Manitou

Investment Management Ltd.

Client Disclosure Statement

Background

This document provides you with important information concerning your relationship with Manitou Investment Management Ltd. ("Manitou" or the "firm"). This document describes the products and services that the firm offers, the costs to operate an account with the firm, the types of risks that you should consider when making an investment decision and other important information.

This document also describes conflicts of interest that arise or may arise between the firm, individuals acting on its behalf and its clients, or between the differing interests of two or more of the firm's clients to whom the firm owes a duty. The conflicts described are those that a reasonable investor would expect to be informed of or that the firm believes are necessary to disclose to its clients to ensure they are adequately informed of matters that may affect the services the firm provides to them.

Other important information you need to know about your relationship with the firm and the operation of your account is contained in your account opening documentation, which includes, as applicable, account opening forms, the Investment Management Agreement entered into between you and the firm and any offering memorandums and subscription documentation provided to you by the firm.

If there is a significant change to any of the information contained in this document, Manitou will provide you with an update in a timely manner and in any event on an annual basis.

Your Relationship with Manitou and our Obligations to You

Manitou is incorporated under the laws of Ontario and its head office is located at 150 King Street West, Suite 2003, P.O. Box 31, Toronto, Ontario M5H 1J9. Manitou is registered as a portfolio manager ("PM"), exempt market dealer ("EMD") and investment fund manager ("IFM") in Ontario and Quebec, as a PM and EMD in British Columbia, Alberta and Nova Scotia, and as a PM in Manitoba, and may become registered as a PM, EMD and/or IFM in such other provinces as required under applicable securities laws.

As a registrant under securities laws, Manitou must deal fairly, honestly and in good faith with its clients. The firm is also required to devote such time and attention and exercise such degree of care, diligence and skill as a prudent and experienced investment adviser would exercise in comparable circumstances. Furthermore, in taking, recommending or deciding on any investment action for its clients, the firm must determine that such investment action is suitable for the client and puts the client's interest first.

The firm offers discretionary portfolios and separately managed account services for its clients and acts as the PM and IFM to Manitou Global Equity Fund, Manitou International Equity Fund, Manitou Focus 5+ Fund, Manitou Canadian Equity Fund, Manitou Income Fund, and Manitou Total Return Yield Fund, and may establish additional funds in the future (collectively, the "Funds"), pooled funds managed by Manitou and constituted as trusts in the province of Ontario. The Manitou Canadian Equity Fund is also available for sale through third-party dealers.

When you enter into an Investment Management Agreement with the firm, you will have one or more separately managed accounts with the firm. A separately managed account is an investment account that will be managed by one or more Advising Representatives of the firm. The assets of your account will be invested in a portfolio of securities, which may include the Funds, in accordance with the Investment Policy Statement you have agreed to with the firm. Effectively, the firm acts as the PM of your accounts with it in these instances.

The firm generally uses its discretionary authority over your managed Manitou account(s) to invest some or all of the assets of your portfolio in the Funds in accordance with the firm's suitability assessment and your Investment Policy Statement with the firm. The firm may establish additional investment funds in the future and act as their IFM and/or PM. If suitable, the firm may place some of the assets in your managed account in such investment funds. With respect to the Funds, their auditor is PricewaterhouseCoopers LLP, their assets are held by RBC Investor Services Trust (as custodian to the fund) and RBC Investor Services Trust acts as the recordkeeper of the Funds' units.

Manitou also acts as an EMD in connection with distributions of securities, including securities of the Funds, to individuals and institutional clients that qualify as "accredited investors" under securities laws or that otherwise qualify for an exemption from the prospectus requirement. In order to distribute securities of the Funds to you using Manitou's EMD registration, you would be required to enter into the subscription documents used by the firm and the Funds.

If you would like a copy of the offering memorandum for the Funds please request a copy from your contact at the firm.

As further detailed herein, investing the money in your discretionary managed accounts into one or more Funds, or the firm recommending that you subscribe for units of one or more Funds, presents a conflict of interest given that the Funds are related to and connected to the firm. This conflict of interest is further detailed herein under the caption “Disclosure of Conflicts of Interest”.

Stephen R. Scotchmer is a director of Manitou. He is currently serving as a board observer for Constellation Software Inc. (“CSU”). In this role, Mr. Scotchmer will attend CSU board meetings as an observer and have access to non-public information with respect to both CSU and Topicus.com Inc. (“TOI”). Both CSU and TOI are public companies in which clients of Manitou and the Manitou pooled funds may be invested.

Manitou does not receive or expect to receive, any benefit from a person or company in connection with your entering into the Investment Management Agreement with us or your subscription for the Funds, other than the fees we charge you as set out in Schedule A.

Additional Information about Your Account

In addition to entering into an Investment Management Agreement with Manitou and establishing an Investment Policy Statement with the firm, as an advisory client, you will also be required to open an account at a custodian where the assets of your account will be held.

Specific information about the accounts you have with Manitou, including know-your-client (“KYC”) information (described below), which the firm is required to collect under securities laws, is contained in the account opening documentation and applicable agreements and disclosure documents. The operation of your account with Manitou is mainly governed by the terms of your Investment Management Agreement and Investment Policy Statement with the firm.

Quarterly (or Monthly) Account Statements

Please be aware that account statements and information will be delivered to you electronically. You may specifically request to receive these statements and information in hard copy at no additional cost.

For clients for whom Manitou acts as a PM, the firm will provide statements to you about your account every three months, unless you advise the firm that you would like the statements provided on a monthly basis, in which case they will be provided to you on such basis.

Among other information, the statements that are provided to you will contain:

- information about each transaction conducted for you during the time period covered by the statement (including the date of the transaction, whether the transaction was a purchase, sale or transfer, the name of the security, the number of securities, the price per security and the total value of the transaction), and
- information about each security held, and the cash balance, in your account at the end of the time period covered by the statement (including the name and quantity of each security in the account, the market value of each security in the account, the total market value of each security position in the account, and the total market value of all cash and securities in the account).

For clients for whom Manitou acts as an EMD on an ongoing basis and as required by securities laws, the firm will provide statements to you about your account every three months unless: (i) there has been a transaction in your account during a month, in which case you will be provided with a statement for that month, or (ii) you advise the firm that you would like the statements provided on a monthly basis, in which case they will be provided to you on such basis.

You may also receive additional statements from the Custodian (as such term is later defined in this document).

Annual Report on Charges and Other Compensation and Investment Performance Reports

On an annual basis, you will also receive: (i) a report on charges and other compensation, and (ii) an investment performance report.

The report on charges and other compensation shows the amount of fees and compensation Manitou has received from you during the relevant period. The investment performance report will provide rate of return information in respect of your accounts.Trade Confirmations

For clients for whom Manitou acts as EMD in connection with a purchase or sale of a security, the firm will promptly deliver to you (or to a registered adviser acting on your behalf, if you so request) a written confirmation setting out the particulars of the transaction, including, among other information, the quantity and description of the security purchased or sold, the price per security paid or received, and any commission, sales charge, service charge or other amount charged by the firm in respect of the transaction.

Suitability assessment and KYC Information

As a PM and EMD, Manitou has an obligation to assess whether a purchase of a security is suitable for you, having regard to your particular circumstances, prior to making a recommendation to or accepting instructions from you.

To meet this suitability obligation, the firm collects KYC information from you at the time you open an account with the firm, such as: information about your personal circumstances (e.g., age, marital and family situation, occupation and planned retirement), financial situation (e.g. annual income and net worth), investment needs and objectives, investment knowledge and experience, risk profile (which consists of risk tolerance and risk capacity) and investment time horizon. In addition, the firm is required to be knowledgeable about the products that it buys and sells for, or recommends to you, including the risks associated with such products. In order to satisfy its obligation to assess suitability on an ongoing basis after you open your account, as applicable, the firm updates your KYC information on an annual or periodic basis.

Additionally, if you are a corporation, partnership or trust, the information collected must also allow us to establish: (i) the nature of your business, and (ii) the identity of any individual who, in the case of a corporation, is a beneficial owner of, or exercises direct or indirect control or direction over, 25% or more of the voting rights of your outstanding voting securities, or, in the case that you are a partnership or trust, who exercises control over the affairs of the partnership or trust. We will also generally require that you provide us with various information and documents including, to the extent applicable, constating documents (e.g., articles of incorporation, by-laws, declarations of trust, etc.), lists of authorized signatories, corporate resolutions, tax identification numbers, etc.

As the KYC information the firm collects from you will be relied upon by it to assist in making suitability determinations for your account, the firm would ask that you please promptly notify your Manitou representative of any change to your KYC information.

Manitou also collects other KYC information about each of its clients, including general information about each client and whether a client is an insider of a reporting issuer or any other issuer whose securities are publicly traded.

Trusted Contact Person and Temporary Holds

Canadian securities regulations require us to ask you for the name and contact information for a person that you trust (Trusted Contact Person or “TCP”), so that we may contact your TCP to assist us in protecting your financial interests and assets in certain circumstances. We encourage you to designate a TCP through the Designation of a Trusted Contact Person Form. We may contact your TCP if we notice signs of financial exploitation or if you exhibit signs of diminished mental capacity which we believe may affect your ability to make financial decisions relating to your account(s). We may also contact your TCP to confirm your contact information if we are unsuccessful in contacting you after repeated attempts, particularly if our failure to contact you is unusual. We may also ask the TCP to confirm the name and contact information of a legal guardian, executor, trustee or any other personal or legal representative such as an attorney under a power of attorney. In providing us with the name and contact information of your TCP, you confirm to us that you have your TCP’s permission to give us this information and your TCP has agreed to act in this capacity.

If we have a reasonable belief that you are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your account(s), we may place a temporary hold on your account or a particular transaction. We will provide you with a verbal or written notice explaining our actions, in addition to contacting your power of attorney or TCP, as noted above. See further explanation of the TCP and temporary holds in the Designation of a Trusted Contact Person Form.

Custodian

Manitou has been granted discretionary authority over your accounts held at a custodian for the purpose of trading in securities, including providing the custodian with all instructions related to securities transactions to be executed for your account. Manitou is also responsible for ensuring that the transactions undertaken for your account are suitable for you and for complying with all applicable KYC and "know-your-product" obligations. Except in respect of the payment of management fees owed by the client to Manitou, the firm does not have authority to withdraw or transfer holdings of your account.

In order to act as PM, Manitou requires clients to have an account with an independent custodian. Our preferred custodians are RBC Investor Services Trust ("RBCIS") and National Bank Independent Network ("NBIN") ("Custodians"). Other custodians acceptable to Manitou may be chosen. Custodians are disclosed on quarterly Manitou statements. The following information is applicable to assets in client accounts with RBCIS or NBIN for which Manitou is the portfolio manager.

Manitou has entered into Portfolio Manager Service Agreements (the PM Services Agreement) with both RBC Investor Services Trust ("RBCIS"), owned by the Royal Bank of Canada and National Bank Independent Network ("NBIN"), a division of National Bank Financial ("NBF"), which is owned by the National Bank of Canada. Both RBCIS and NBIN's principal place of business is Toronto. RBCIS and NBIN have agreed to provide certain services including: establishing and servicing account(s) in client's name (client "Account(s)"); providing certain administrative services in connection with client Accounts and executing trades for client Accounts. RBCIS or NBF (acting through NBIN) hold client assets in client Accounts as the client's Custodian. Under the PM Services Agreement, Manitou is responsible for providing RBCIS or NBIN with all instructions related to securities transactions to be executed for client Account(s), ensuring such transactions are suitable for the client and for complying with all applicable "know your client", "know your product" and anti-money laundering obligations. Custodians will provide quarterly or monthly reports in respect of client Accounts. The reports will contain transaction information covering each transaction made in the Accounts during the relevant period and a description of the assets held in the Accounts as required by applicable law. Manitou also provides quarterly transaction reports, performance reports and portfolio holdings reports as well as an annual report on charges and other compensation and an annual investment performance report.

It is important that you review your custodial statements and advise either Manitou or your Custodian if there are any errors or inaccuracies. Please contact: compliance@manitouinvestment.com.

For the custody of Accounts, Custodians will charge a percentage fee based on the market value of the assets in the Accounts. NBIN will also charge a transaction fee for any equity or fixed income transactions.

Manitou does not hold or have access to client assets, with the exception that any management fees charged by us are payable directly from the Account(s).

The Canadian assets in client Accounts are held by the client's Custodian or its agent (CDS) in Toronto. The Foreign assets in client Accounts are held by sub-custodians or agents outside of Canada appointed by the client's Custodian.

RBCIS is the custodian of the Funds and employs sub-custodians for the custody of all foreign assets. Units of any Funds purchased on behalf of clients are recorded on the books of that Fund in the client's name and if the client is a Manitou PM client, are recorded in the client's segregated account at their Custodian.

The custody arrangements with RBCIS and NBIN are intended to enhance the protection of client assets since RBCIS and NBIN are both qualified custodians that are independent from Manitou.

Although Manitou will monitor the services performed by NBIN and RBCIS and believes that they are appropriate custodians, in the very unlikely event of bankruptcy or insolvency of NBIN or RBCIS, there is no certainty that the client account(s) will not incur losses due to assets being unavailable for a period of time, the ultimate receipt of less than full recovery of assets, or both. However, RBCIS is a trust company governed by the Trust and Loan Companies Act (Canada) and RBCIS is required to segregate its own assets from those held by its clients. Therefore, in the very unlikely event of an insolvency of RBCIS, assets RBCIS holds in custody for clients (other than cash balances on deposit) will be protected from its creditors. The cash balances are held on the balance sheet of RBCIS and therefore in the unlikely event of the insolvency would not be protected from creditors. However, RBCIS is a member of the Canada Deposit Insurance Corporation (CDIC) and its Canadian dollar deposits are eligible for CDIC insurance coverage subject to conditions and limits. The Custodians act as principal for client assets that they directly provide custody for, but do not act as principal for client assets that are held with a foreign sub-custodian or agent. RBCIS performs extensive due diligence on its sub-custodians and requires its sub-custodians to hold and record client assets in segregated accounts, however it is not liable for losses resulting from third party custodian insolvency unless it has breached its standard of care in the selection and monitoring of any such sub-custodian.

NBF is a member of and regulated by the Investment Industry Regulatory Organization of Canada (IIROC). NBF is also a member of the Canadian Investor Protection Fund (CIPF). In the very unlikely event of an insolvency at NBF, Accounts at NBIN are covered by CIPF subject to conditions and limits. More information on CIPF is available at https://www.cipf.ca.

The RBCIS and NBIN account agreements contain further details on custody arrangements. Please read these agreements to ensure that the terms of the services provided are understood or contact your Custodian directly.

Additional risk factors include, without limitation, the risk of potential loss in the event of a breakdown in your Custodian's information technology systems or if your Custodian is involved in a material cybersecurity incident, including the unauthorized access of its information technology systems by a malicious third party, or if your Custodian or any of its representatives are involved in fraudulent acts, acts of wilful misconduct or are grossly negligent.

Manitou has considered each of RBCIS and NBIN's reputation, financial stability and ability to deliver custodial services and has concluded that they each conduct their respective services, and have developed safeguards, in accordance with prudent business practices.

Fees and Costs Associated with Your Account

<u>Managed Account Fees</u>

If you have an investment management agreement with Manitou, where Manitou acts as your PM, you have agreed to pay Manitou an investment management fee based on the market value of your investments and calculated in accordance with fees set out in your investment management agreement. We reserve the right to amend all Manitou fees and expenses applied to your investments upon 60 days written notice to you.

<u>Fund Fees</u>

If you are purchasing the Manitou Canadian Equity Fund through Manitou acting as your dealer, or through a third-party dealer, you will pay the fees set out in the offering memorandum of the Fund and will not pay an investment management fee to Manitou acting as PM. If you are purchasing Funds where Manitou acts as your PM, you will pay the fees set out in your investment management agreement with Manitou.

Risk Factors to Consider

There are a number of risks that clients should be aware of when investing in securities directly or through a Fund ("Portfolio" or "Portfolios").

In the event you wish to enter into an Investment Management Agreement with the firm, you should carefully consider whether our proposed investment strategy for you is appropriate in light of your experience, objectives, financial resources and other relevant circumstances. You should understand the nature of your investment strategy with us and the extent of your exposure to risk. In the event, you engage us to act as an EMD in connection with a distribution of securities to you, you should understand the potential return and the risks associated with that distribution.

Depending on the nature of your investment, the type of investment risk will vary. Risk tolerance is one of the factors that Manitou must take into account when assessing the suitability of an investment for you. Manitou monitors the risk of the investment portfolios of its portfolio management clients to verify that they are meeting their objectives and remain within their risk constraints.

You should be comfortable about where your money is invested. This requires you to think about and understand your own risk tolerance and the risk level of your investments. It is important that you understand that your investment is not guaranteed. Therefore, the greatest risk to you as an investor is that you could lose all or part of your investment. Unlike bank accounts or guaranteed investment certificates (GICs), stocks, bonds, money market securities and funds are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Accounts will hold different kinds of investments depending on the investment mandate reflected in your Investment Policy Statement. The value of investments in any account will fluctuate on a daily basis, reflecting changes in interest rates, economic conditions and markets as well as company news. Therefore, the value of any portfolio's securities may go up or down. This means that the value of your investment when you sell it may be more or less than when you bought it. The actual performance of your account with the firm will to a certain extent be dependent on market fluctuations and other conditions that are both unpredictable and beyond the control of Manitou or any other party. Accordingly, returns on your account cannot be guaranteed.

The following is a list of general risks which may affect the value of your accounts. Please note that this list is not exhaustive and has been provided to give you an indication of the factors that can affect the value of your accounts with the firm. Please do not hesitate to contact us should you wish to discuss any risks which you believe may more specifically relate to you.

Investment and Trading Risks in General

All trades made by the Manager risk a loss of capital. No guarantee or representation is made that the investment program will be successful, and investment results may vary substantially over time. Many unforeseeable events, including actions by various government agencies, and domestic and international economic and political developments may cause sharp market fluctuations which could adversely affect the Portfolio and performance.

Risk-Return Trade Off

Risk and return are closely related. This means that to obtain a higher return, you may have to accept a higher level of risk. The value of a higher risk portfolio is generally less stable and fluctuates more. The more a portfolio's return fluctuates, the more risk is associated with the portfolio. It is therefore important to understand what is meant by "fluctuation". Within a given period of time, a security may fluctuate, that is, it may suffer losses or realize gains. High-risk investments generally offer higher long-term returns than safer ones. Since they fluctuate more, high risk investments may post more negative short-term returns, compared to lower-risk investments.

General Economic and Market Conditions

The success of the Portfolio's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Portfolio's investments. Unexpected volatility or illiquidity could impair the Portfolio's profitability or result in losses.

Issuer–Specific Changes

The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole.

Portfolio Turnover

There are no limits on the rate of portfolio turnover and portfolio securities may be sold without regard to the time they have been held when, in the opinion of the Manager, investment considerations warrant such action. A high rate of portfolio turnover may involve correspondingly greater expenses than a lower rate.

Liquidity of Underlying Investments

Some of the securities in which the Portfolio intends to invest may be thinly traded. There are no restrictions on the investment of illiquid securities in the Portfolio. It is possible that the Portfolio may not be able to sell or repurchase significant portions of such positions without facing substantially adverse prices. If the Portfolio is required to transact in such securities before its intended investment horizon, the performance of the Portfolio could suffer.

Highly Volatile Markets

The prices of financial instruments in which the Portfolio's assets may be invested can be volatile and may be influenced by, among other things, specific corporate developments, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Portfolio is also subject to the risk of the failure of any of the exchanges on which the Portfolio's securities trade or of their clearinghouses.

Equity Securities

Stock market volatility (especially over the short-term) can be expected. The market value of securities will fluctuate with the financial performance of the issuers of the securities and general economic conditions in debt, equity or commodities markets, currency rates, political, economic or social developments or instability in the relevant capital markets.

In some cases, rather than directly holding securities of non-Canadian and non-US companies, the Portfolio may hold securities through a depository security and receipt (an "ADR" – American Depository Receipt, "GDR – Global Depository Receipt, or an "EDR" - European Depository Receipt). A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation. The currency of the depository receipt may be different than the currency of the non-local corporation to which it relates. The value of the depository receipt will not be equal to the value of the underlying non-local securities for a number of reasons. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights associated with depository receipts may be different than the rights of the holders of the underlying security.

Fixed Income Securities

The value of bonds and other fixed income securities are directly affected by changes in the general level of interest rates. As interest rates increase, the price of these investments may fall and vice versa. Fixed income securities like bonds are also subject to credit risk or the risk that the government or company issuing a fixed income security will not be able to pay the interest as required or pay back the original principal. Securities that have a low credit rating have high credit risk and vice versa.

Foreign currency risk

The Portfolio may invest in foreign securities using foreign currency. Changes in the value of the Canadian dollar compared to foreign currencies will therefore affect the value, in Canadian dollars, of any foreign securities or foreign currencies in the Portfolio. In particular, securities that are priced in foreign currencies can lose value when the Canadian dollar rises against the foreign currency, and can gain value when the Canadian dollar weakens against the foreign currency. Foreign governments may impose currency exchange restrictions, which could limit the Portfolio's ability to buy and sell certain foreign securities and could reduce the value of the foreign securities the Portfolio holds.

Foreign market risk

Foreign investments involve additional risks because financial markets outside of Canada and the U.S. may be less liquid and companies may be less regulated and have lower standards of accounting and financial reporting. There may not be an established stock market or legal system that adequately protects the rights of investors. Foreign investments can also be affected by social, political, or economic instability. Foreign governments may impose investment restrictions. In general, securities issued by companies in more developed markets, such as the U.S. and Western Europe, have a lower foreign market risk. Securities issued in emerging or developing markets, such as Southeast Asia or Latin America, tend to have a higher foreign market risk. Some foreign exchanges, in contrast to Canadian or U.S. exchanges, are "principals' markets" in which performance with respect to a contract is the responsibility only of the individual member with whom the trader has entered into a contract and not of the exchange or clearinghouse, if any. In the case of trading on such foreign exchanges, the Portfolio will be subject to the risk of the inability of, or refusal by, the counterparty, to perform with respect to such contracts. The Portfolio may also not have the same access to certain trades as do various other participants in foreign markets. Due to the absence of a clearinghouse system on certain foreign markets, such markets are significantly more susceptible to disruptions than Canadian or U.S. exchanges.

Counterparty and Settlement Risk

Some of the markets in which the Portfolio will affect its transactions may be "over the counter" or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange-based" markets. This exposes the Portfolio to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Portfolio to suffer a loss. In addition, in the case of a default, the Portfolio could become subject to adverse market movements while replacement transactions are executed. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Portfolio has concentrated its transactions with a single or small group of counterparties. The Portfolio is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. Moreover, neither the Portfolio nor the Manager has an internal credit function which evaluates the creditworthiness of its counterparties. The ability of the Portfolio to transact business with any one or number of counterparties, the lack of any meaningful and independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Portfolio.

Reliance on Manager and Track Record

The success of the investments will be primarily dependent upon the skill, judgment and expertise of the Manager and its principals. Although persons involved in the management of the investments and the service providers to the Portfolio have had experience in their respective fields of specialization, investors should be aware that the past performance by those involved in the investment management should not be considered as an indication of future results.

Trading Errors

In the course of carrying out trading and investing responsibilities on behalf of the Portfolio, employees of the Manager may make "trading errors" — i.e., errors in executing specific trading instructions. Examples of trading errors include: (i) buying or selling an investment asset at a price or quantity that is inconsistent with the specific trading instructions generated by a particular strategy; or (ii) buying rather than selling a particular security (and vice versa). Trading errors are an intrinsic factor in any complex investment process and will occur notwithstanding the exercise of due care and special procedures designed to prevent trading errors. Trading errors are distinguishable from errors in judgment, due diligence or other factors leading to a specific trading instruction being generated, as well as from unauthorized trading or other improper conduct by employees of the Manager. Consequently, the Manager will (unless the Manager otherwise determines) treat all trading errors (including those which result in losses and those which result in gains) as for the Portfolio, unless they are the result of conduct by the Manager which is inconsistent with the Manager's standard of care.

Concentration

Concentration risk occurs when a portfolio limits diversification by investing in a relatively small number of countries, specific geographic regions, industries, or specific industry groups. This can cause significant variance relative to a given market index.

Small Companies

Small companies can be riskier investments than larger companies. For one thing, they are often newer and may not have a track record, extensive financial resources or a well-established market. This risk is especially true for private companies or companies that have recently become publicly traded. They generally do not have as many shares trading in the market, so it could be difficult to buy or sell small companies' stock at any given time. All of this means that their share prices can change significantly in a short period of time.

Specialization

Some clients prefer a mandate which invests in a particular industry or geographic area. When an account specializes in this way, it can be more volatile. Specialization lets the PM focus on specific areas of the economy, which will affect the performance of the portfolio depending upon changes in the sector and the companies in the sector. Events or developments affecting that sector or part of the world may have a greater effect on the portfolio than if it had been more diversified.

Securities Lending Transactions

Clients and funds may, for a fixed period of time, lend securities of their portfolio in exchange for collateral. To limit the risks, the client will negotiate with its custodian the following: the value of assets given as collateral, minimum level percentage coverage of the loaned securities and the type of collateral provided to the client.

The risk associated with securities lending transactions is mainly the borrower's inability to pay the necessary consideration to maintain the collateral at the determined percentage. The client's account could sustain a loss if the borrower is unable to return the loaned securities by the end of the agreed upon period and the market value of the securities loaned increases before the account buys back the securities. In this case, the collateral will no longer be sufficient to purchase the same securities on the market. Consequently, the client or the fund will have to use the money in the account to buy back the securities and will sustain a loss. This risk can be minimized by selecting borrowing parties with solid credentials, which have undergone a stringent credit evaluation.

Leverage

Leverage is the practice of using borrowed money to finance the purchase of securities, which involves greater risk than using cash resources only. If an investor borrows money to purchase securities, the investor's responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the securities purchased declines. Manitou does not recommend the use of leverage for the purpose of purchasing securities.

Using Borrowed Money (Leveraging) to Finance the Purchase of a Security

Manitou has neither arranged for nor recommended that you borrow money in order to invest. Manitou will not trade on margin or otherwise use borrowed monies for your managed accounts unless you so instruct the firm and same is agreed to by us in limited circumstances.

If the capital you propose to invest will be partly or fully obtained from borrowed funds, your investment risk will increase. You will be personally responsible for any losses incurred on the borrowed funds. These amounts must be paid back to the lender from monies you have personally invested, or from other sources.

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

Potential Conflicts of Interest

The business of the Manager is the management of securities for its clients. The orders of the Portfolios may be executed in competition with the other Portfolios managed by the Manager. The Manager generally trades all Portfolios under management in a parallel fashion, where lots and prices are distributed proportionally. Using this method of allocation and executions, no Portfolio or Portfolios can be traded "in front of" or have positions opposite of the other Portfolios under management. It is generally the policy and practice of the Manager never to favour any Portfolio over another. Clients should be aware however, that the Manager may trade Portfolios differently based on the dictates of the individual clients. For example, a client may request the Manager to exclude a designated market. As a result, client Portfolios with similar mandates may not have identical portfolios.

Fund Risks

There are a number of additional investment risks that clients should be aware of when investing in the Funds. Fund specific risk factors are contained in the offering memorandum of the Funds and the offering documents of the other funds or issuers in which the assets of your accounts may be invested. At your request, we would be pleased to provide you with any offering documents you may wish to review.

The Funds are private investment funds that can invest in illiquid securities, can hold concentrated positions, and can use leverage, margin transactions, short-selling, and other such strategies, all of which can involve considerable risk and which can, in certain circumstances, increase potential losses in the Funds.

Below is a list of general risks pertinent to an account that will invest some or all of its assets in securities of one or more private investment funds, such as the Funds, any other Fund that may then exist or any third-party fund.

No Assurance of Return

There is currently no market through which the units of the Funds may be sold and no assurance can be given that such a market will develop. Unitholders may not be able to liquidate their Fund units in a timely manner, if at all, or pledge their units as collateral for loans.

Use of Derivatives

The Funds and/or the investment strategies held by the Funds may use derivative instruments for hedging purposes. The use of derivatives in general presents additional risks. To the extent of the Fund's investment in derivatives, it may take a credit risk with respect to parties with whom it trades and may also bear the risk of settlement default. When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Funds from achieving the intended hedge effect or expose the Funds to the risk of loss. In addition, derivative instruments may not be liquid at all times, so that in volatile markets the Funds may not be able to close out a position without incurring a loss.

Liability of Unitholders

The Trust Agreement provides that no Fund Unitholder shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with the investment obligations, affairs or assets of the Funds and all such persons shall look solely to the Fund's assets for satisfaction of claims of any nature arising out of or in connection therewith. There is a risk, which is considered by the Manager to be remote in the circumstances, that a Unitholder could be held personally liable, notwithstanding the foregoing statement in the Trust Agreement, for obligations of the Funds to the extent that claims are not satisfied out of the assets of the Fund. It is intended that the operations of the Funds will be conducted in such manner so as to minimize such risk. In the event that a Unitholder should be required to satisfy any obligation of the Funds, such Unitholder will be entitled to reimbursement from any available assets of the applicable Fund.

Not a Public Mutual Fund

The Funds are not subject to the restrictions placed on public mutual funds to ensure diversification and liquidity of the Fund's portfolio.

Changes in Investment Strategies

The Manager may alter its strategies without prior approval by the Unitholders if the Manager determines that such change is in the best interest of the Funds.

Valuation of the Fund's Investments

Valuation of the Fund's securities and other investments may involve uncertainties and judgmental determinations and, if such valuations should prove to be incorrect, the Net Asset Value of a Fund could be adversely affected. Independent pricing information may not be available regarding certain of the Fund's securities and other investments.

The Funds may from time-to-time have some of their assets in investments which by their very nature may be difficult to value accurately. To the extent that the value assigned by a Fund to any such investment differs from the actual value, the Net Asset Value per Unit may be understated or overstated, as the case may be. The Manager does not intend to adjust the Net Asset Value of the Funds retroactively.

Potential Indemnification Obligations

Under certain circumstances, the Funds might be subject to indemnification obligations in favour of the Trustee, the Manager, other service providers to the Funds or certain persons related to them in accordance with the respective agreement between the Funds and each such service provider. The Funds will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which a Fund has agreed to indemnify them. Any indemnification paid by the Funds would reduce the Fund's Net Asset Value.

Possible Effect of Redemptions

While there are restrictions on redemptions, substantial redemptions of Fund units could require a Fund to liquidate positions more rapidly than otherwise desirable to raise the necessary cash to fund the redemptions. This could adversely affect the value of the Fund units redeemed and of the remaining outstanding Fund units.

Income Risk

An investment in a Fund may not be suitable for an investor seeking income, as a Fund may be unable to distribute income earned by it.

Private Investments

The Funds may hold private securities for which there is no public market. These securities may not be able to be liquidated in a timely manner.

Redemption Restrictions

A Fund may have restrictions on the timing and amounts that you may redeem. These restrictions will be detailed in the Fund's Offering Memorandum which is available to you from the firm.

Dependence on Key Personnel

An investment fund will be relying on the skill, judgment, and expertise of its PM. The loss of key personnel of the PM could affect a fund. Unitholders of a Fund generally have no right to take part in the management or in the decisions of the PM of a Fund.

Investment fund PMs are generally registered to perform such services under applicable securities laws. However, these registrations do not imply any endorsement of the PM's abilities under such registrations or its ability to generate positive results for a fund.

Fees

Regardless of whether an investment fund realizes a profit, it may be obligated to pay management fees, trading costs and other expenses. Under certain circumstances, a Fund may be subject to indemnification obligations payable out of its assets in respect of its PM and/or certain parties related to it.

Other Risks

Legal, Tax and Regulatory Risks

Changes in income tax, securities or other laws or administrative practice or regulatory decisions could occur which may adversely affect the Portfolios or Funds.

Cyber Security Risk

With the increased use of technology, Manitou, the Funds and Portfolios (collectively, "Manitou") are susceptible to operational and information security risks through breaches in cybersecurity. A cybersecurity breach can result from either a deliberate attack or an unintentional event. In addition, cybersecurity failures by or breaches of Manitou's third-party service providers may disrupt the business operations of the service providers and Manitou. Any such cybersecurity breaches or losses of service may cause Manitou to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause Manitou to incur regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures and / or financial loss. While Manitou and third-party service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks cannot be adequately identified or prepared for. Cybersecurity risks may also impact issuers of securities in which a Portfolio or Fund invests, which may cause the Portfolio or Fund investments in such issuers to lose value.

COVID-19

On March 11, 2020, the World Health Organization recognized the outbreak of COVID-19 as a pandemic. The COVID-19 pandemic and the measures attempting to contain and mitigate the effects of the virus have caused heightened uncertainty in the global economy. Many of the other risks described elsewhere may also be heightened.

COVID-19, could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. COVID-19, and possible future pandemic diseases, presents uncertainty and risk with respect to economic and market conditions, corporate earnings or loan performance, and the ability of borrowers to service their debt, any of which could have an adverse impact on the performance and financial results of the Funds and the issuers of the securities in the Portfolios, and the value and the liquidity of the securities of the Funds. The impact of COVID-19 is ongoing and the effect on the Funds and Portfolios may not be fully reflected in their results until future periods.

Manitou has developed a business continuity plan and will continue to monitor and adjust its plan as the COVID-19 situation changes. Manitou has taken several proactive and precautionary measures to protect the health and safety of all employees, including the implementation of alternative working arrangements such as working-remotely as required.

DISCLOSURE OF CONFLICTS OF INTEREST

This document describes material conflicts of interest that arise or may arise in connection with your dealings with Manitou and its employees and how we attempt to mitigate such conflicts of interest. The material conflicts specifically described below are those that a reasonable investor would expect to be informed of or that we believe are necessary to disclose to our clients to ensure they are adequately informed of matters that may affect the products and services we provide to them.

It is important that you read these disclosures regarding conflicts of interest to help you make an informed decision when evaluating our business practices, conflicts management and overall performance on an ongoing basis.

If there is a significant change to any of the information contained in this document, we will provide you with an update as soon as possible.

Conflicts of Interest – Generally

Under applicable Canadian securities laws, we, as a registered firm and registered representatives of such firm, are required to address and manage existing, as well as reasonably foreseeable, material conflicts of interest in the best interest 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 or seen to be influenced to put their interests ahead of a client's interests; or

(c) the firm or a registered individual is in a position to potentially gain monetary or non-monetary benefits or avoid any losses, which may cause a reasonable client to lose their trust 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 the client in the circumstances, and/or the recommendations or decisions of the firm or its registered representatives in the circumstances.

Fairness in Allocating Investment Orders and Opportunities

As a matter of client fairness, Manitou may not unfairly favour trading for the Funds over its other client accounts for which it has discretionary authority and vice versa or among different Funds or client accounts. This concern is heightened when a security is unusually attractive at the time of purchase, and/or difficult to obtain, or it is unattractive, or difficult to dispose of, at the time of sale.

Manitou is required to maintain standards that are directed toward ensuring fairness in the allocation of investment orders and opportunities among its clients and affiliated entities (where required). Manitou and its registered representatives are responsible to ensure that the firm's fairness policy in regard to the allocation of investment orders and opportunities is adhered to for each of the firm's clients that may have an interest in trading the same securities.

The firm may not unfairly favour some clients over others. Subject to the more detailed rules set out in the firm's fairness policy, the default allocation of investment orders is pro rata. Fills are allocated on an average price basis. Further details of the firm's fairness policy are available at your request from your contact at the firm.

Client Brokerage Commissions

Manitou is obligated to seek best execution for its clients. The price of the trade and the commission paid are not the only indicators of "best execution". Other items which may be considered in judging "best execution" include:

1. Avoiding excessive market impact when trading;
2. Maintaining the confidentiality of investment decisions;
3. Choosing appropriate brokers, taking into account a broker's abilities, including:
    a. access to liquidity; the speed and accuracy of transaction execution;
    b. price/commissions charged; and
    c. access to research, research conferences and company management teams.

Manitou makes a good faith determination that all clients benefit from the use of order execution and research goods and services received, relative to the amount of brokerage commission paid. Manitou makes this determination relative to its overall responsibilities for all client accounts.

Bundled Services

Many of the brokerage firms that Manitou uses provide "bundled" trading fees that cannot necessarily be separated into research and execution. We may pursue trades with specific brokers in order to access the necessary liquidity or trading expertise required for Manitou to trade a position in the most efficient manner. In addition, brokers may also provide research reports and recommendations as well as access to conferences and company management teams, which is an integral part of our research process. The bundled cost is typically in the range of 3 to 5 cents per share and provides benefit to clients.

Unbundled Services

Manitou has entered into a relationship with Virtu ITG Canada Corp. (Virtu) which includes a direct market access trade execution application and settlement service. These execution services help facilitate access to new market venues and sources of liquidity and allow Manitou to monitor market prices and control trade execution directly. Under this agreement, Virtu has the right to charge Manitou directly for settlement services if a minimum trade commission threshold is not achieved.

Manitou has also entered into a commission sharing agreement (CSA) with Virtu. This CSA allows Manitou to increase the commission share amount over the pure execution cost. This incremental commission share amount is intended to be directed to third parties for research goods and services. In this way, the price discovery and settlement of a trade is accounted for separately from the allocation to research.

The research goods and services may include advice, analysis, reports, databases and software that are used to aid in subsequent investment or trading decisions. The name of any dealer or third party that provided these research goods and services will be provided to any client who requests it.

The aggregation of the execution only and CSA commission typically does not exceed the amount paid for the bundled services on a per share basis, and in the aggregate helps to optimize commission dollar expense.

Other than agreements disclosed above, Manitou does not use brokerage commissions for the payment of portfolio management systems, trading systems, or trade publications.

In 2020, $474,465 [2019 - $369,112] in brokerage commissions and other transaction costs for bundled and unbundled services were incurred.

Personal Trading

Manitou strictly prohibits transactions between directors, officers or employees and clients of Manitou.

Any trades in Manitou securities by Manitou employees must be executed either concurrently with client orders or pre-clearance must be obtained in order to ensure there are no conflicts with client orders.

Gifts and Entertainment

It is recognized that employees of Manitou may be offered gifts from suppliers - i.e. tickets to hockey games, lunches, etc. All such gifts must be disclosed immediately to management. Management will not allow the acceptance of such gifts if they are reasonably expected to compromise the employee's independence or objectivity.

Related and connected issuers, proprietary products

As previously mentioned, Manitou acts as the Portfolio Manager ("PM") and Investment Fund Manager ("IFM") of the Funds (and any other Fund that may be established from time to time). The firm also generally uses its discretionary authority over its managed account clients' assets to invest some or all of these assets in Funds.

Manitou may also act as an Exempt Market Dealer ("EMD") in connection with distributions of securities, including securities of the Funds (and any other Fund that may then exist), to individuals and institutional clients that qualify as "accredited investors" under securities laws or that otherwise qualify for an exemption from the prospectus requirement. Recommending a client subscribe for units of one or more Funds also presents a conflict of interest even though, in these instances, Manitou does not charge a sales commission or earn any trade-based compensation for placing its clients in units of the Manitou Funds.

The offering memorandum for the Funds provides further specifics as to why they are a "related issuers" and/or "connected issuers" to Manitou. If you would like a copy of the offering memorandum for a Fund or any other Fund that may then exist, Manitou would be pleased to provide it to you upon request.

The Canadian Securities Administrators (the "CSA") have noted that in the above fact scenarios, a material conflict of interest exists between a registered firm's (such as Manitou) incentive to distribute securities of its related or connected proprietary products (e.g., securities of the Funds) to its clients and the firm's general obligations to its clients, including its know-your-client ("KYC"), know-your-product and suitability obligations, as well as its fair dealing duty.

In order to mitigate any actual or potential material conflicts of interest that may arise in connection with or advice regarding, or sale of, the Funds, we take various measures, including the following:

- No employee of the firm is directly compensated for placing a client in a Fund and there is otherwise no direct incentive for anyone to recommend a Fund to a client over alternatives such as a segregated account to a client, except on the basis of which strategy is in the client's best interest.
- Manitou has robust KYC and suitability policies and procedures in place to ensure that Manitou's recommendations, including where the Funds are recommended to the clients, are suitable for the clients needs and objectives and are in their best interests.
- On an annual basis, Manitou conducts an analysis of similar funds available to a similar client base. Manitou is comfortable that the Funds compare favorably to these similar funds.

Internal Compensation Arrangements and Incentive Practices

A compensation arrangement or incentive practice may be a cause for a material conflict of interest when it creates an incentive for the firm or its employees to sell or recommend certain products or services over others.

The Manitou Focus 5+ Fund charges a performance fee, which if earned, could increase the profit-sharing pool that all employees of the firm participate in. Therefore, the firm's employees could potentially be incented to recommend that Fund over other products which may better serve a client's best interests.

However, we believe that any material conflict of interest that may arise from such an arrangement is mitigated because we ensure that robust KYC and suitability analysis is performed for all recommendations we make to our clients, including any recommendation involving the Manitou Focus 5+ Fund. Moreover, Manitou stresses that this particular product is only suitable for certain clients or as a component of certain client portfolios.

Furthermore, the details of the Manitou Focus 5+ Fund performance fee are fully disclosed in the Investment Management Agreement signed by the client.

Conflicts at the Supervisory Level

When a registered firm's supervisory or compliance staff member is also involved in the firm's sales or revenue generation activities, a conflict of interest may arise.

The firm's Chief Compliance Officer, Deborah O'Reilly, is also registered as an associate advising representative however, any potential conflict arising from Deborah O'Reilly's multiple roles at Manitou is mitigated by the fact that any activity that she does as an associate advising representative of the firm is reviewed and supervised by a supervisory staff member other than herself.

Investments in Issuers in which members of Manitou may act as a Partner, Officer or Director

Manitou and its partners, directors and officers, and certain others who have access to, or participate in formulating investment decisions on behalf of the accounts managed by Manitou (including the Fund and any other Fund that may then exist), may from time to time wish to act as a partner, officer or director of an issuer whose securities are held or to be purchased and held in the accounts managed by Manitou (including the Fund and any other Fund that may then exist). This presents a conflict of interest. In order to comply with applicable securities law, Manitou will not cause the accounts managed by it (including the Fund and any other Fund that may then exist) to hold or purchase securities of such an issuer unless this conflict of interest is disclosed and unless the written consent of the required parties are obtained.

In addition, Manitou has procedures and controls in place to ensure that the information about such issuer that such individual may have obtained in their role as a partner, officer or director of such issuer will not be shared with Manitou, in order to prevent any conflict of interest issue from arising.

You will be provided with relevant disclosure and request for consent if this conflict affects your investment.

Outside Business Activities

Manitou employees, including its registered and permitted individuals, may become involved in other activities outside of their employment with Manitou (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 Manitou employee spends on Manitou employment or registration obligations; and (ii) create a conflicting interest as to how a Manitou employee discharges their obligations to Manitou or its clients.

Manitou 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 Manitou's operations or obligations, as well as its clients' best interests.

Clients Holding Ownership Interest in the Firm

As an owner-operated firm, Manitou has a number of clients, primarily its directors, employees and former employees, who are also its shareholders. Such relationships may be seen to be sources of conflicts of interest.

The firm mitigates such potential conflicts by ensuring that adequate KYC and suitability analysis is performed on all of its clients, including the shareholder clients and other clients, so that all clients are served in their best interest.

Valuation of Illiquid or Private Investments held by Funds

As the IFM of the Fund (and any other Fund that may then exist), Manitou may be seen to have a conflict of interest when determining the value of illiquid or private investments held by any Fund given that higher valuations positively impact the overall net asset value ("NAV") of the units of the Fund. A higher NAV has several effects, including: (i) greater fees may become payable by the relevant Fund to Manitou (in its capacity as the PM of such funds), (ii) increasing the likelihood that Manitou will be entitled to the payment of "performance fees" by any relevant Funds as the case may be, and (iii) making a positive impact on Manitou's reputation as a PM able to generate positive returns for its clients.

Consequently, Manitou has a duty to make sure that any illiquid or private investments are valuated in a fair, accurate and appropriate manner and in accordance with the requirements of applicable accounting standards and securities laws. To address this potential conflict of interest, Manitou has adopted a Valuation Policy and established a Valuation committee that makes its valuation determinations in accordance with the foregoing.

Manitou is also required to consistently monitor for any NAV errors in respect of the units of the Funds. To the extent a NAV error is detected, the firm is required to take the appropriate steps to correct such error in accordance with applicable securities laws requirements, including an obligation to report the error to the Ontario Securities Commission.

Expense Allocation between the Firm and Funds

As the IFM of the Fund (and any other Fund that may then exist), Manitou may be seen to have a conflict of interest when determining whether certain expenses should be allocated to the firm or to the relevant Fund (in which case the expense being borne by the Fund will reduce its potential investment return to its unitholders). Canadian securities regulators have signalled through staff guidance, and in some cases compliance and enforcement actions, that they are increasingly concerned over perceived issues with the expense allocation practices of IFMs.

Consequently, Manitou has a duty to make sure that expenses are allocated to itself or to the relevant Fund in a fair, accurate and appropriate manner and in accordance with the requirements of applicable securities laws. Similarly, Manitou's expense allocation practices must be consistent with the terms of the agreements governing the relevant Fund and the disclosure of such terms in the relevant Fund's offering memorandum or other offering documents.

To address this potential conflict of interest, Manitou has adopted an Expense Allocation Policy and makes its expense allocation determinations in accordance with the foregoing.

Referral Arrangements

Manitou may enter into referral arrangements with different referral partners, each of whom may refer clients to the firm in exchange for referral fees. Referral arrangements are a source of conflict of interest because a client may be referred to and served by the firm based on considerations other than the client's best interests.

All of Manitou's referral arrangements comply with the specific requirements of applicable securities legislation.

The following discloses pertinent information about Manitou's current referral arrangements as required by applicable securities legislation:

Probeauco Financial Corp. (Probeauco) is an investment holding company owned and controlled by Dean Prodan. Probeauco has been retained by Manitou to, amongst other functions, refer clients to Manitou. Dean Prodan is also an Executive Consultant on Manitou's advisory board. For these services, Manitou pays Probeauco an annual flat fee and extends other benefits currently offered to employees of Manitou. Manitou may also pay Probeauco a discretionary bonus if deemed appropriate.

Dean Prodan is registered as an advising representative with Priviti Capital Corporation in Alberta. Under this registration, he is restricted to advising on oil and gas equities and investments. Mr. Prodan's registration does not permit advising or other registrable activities for any other types of investments. Manitou is responsible for all registerable activities associated with any account introduced by Probeauco to Manitou.

In addition to client disclosures, Manitou has adopted several procedures to ensure it determines that accepting a referral is in a referred client's best interest. These procedures include: (i) ensuring adequate KYC and suitability analysis is performed for each client, in order to ensure that its products and services are in the best interest of the client, regardless of whether the client is referred to the firm or not; (ii) ensuring that the referred client does not pay additional fees or compensation for the same service or product provided to other Manitou clients solely as a result of the referral arrangement; (iii) keeping a record of all payments related to Manitou's referral arrangements; and (iv) monitoring its referral partners for adherence to the terms of the relevant referral agreement and regulatory requirements.

OTHER DISCLOSURES

Proxy Voting and Corporate Actions

Proxies are received with the annual reports of Manitou's investment holdings and are voted once a year at the respective companies' Annual General Meeting. Manitou subscribes to ISS as an independent third-party consultant which provides recommendations with respect to a recommended vote on each proxy item. Proxies are reviewed for each holding by both the primary analyst and the Chief Investment Officer. Votes are based on our deep knowledge of a company as well as global best practice with respect to corporate governance. The voting history is recorded and saved. Further, all instances where the firm's opinion differs from that of ISS, or when an item warrants further analysis/investigation are documented. Active participation in the proxy voting process and application of industry best practice to every item within the proxy is in the best interest of clients as shareholders of the underlying security.

Corporate Action notifications are given to the Chief Investment Officer and respective Analyst for review. After this review a decision is made in the best interest of the client.

Benchmarks

The primary objective of Manitou mandates is to generate positive absolute returns. Secondarily, as active managers, it is the objective to outperform relative benchmarks over time. The benchmarks used to compare performance results are relevant, in light of the composition of each mandate. It is important to note that benchmarks do not include operating charges and transaction charges as well as other expenses related to the portfolio's investments, which may affect its performance. The following is a summary of the benchmarks Manitou uses to evaluate performance:

The S&P/TSX Composite Index and the S&P 500 Index, are equity indexes of Canadian and U.S. large-cap companies. These indices are widely-known and provide a means of comparison between a mandate's investment strategy and the broader market.

The S&P Global 1200 provides efficient exposure to the global equity market. Capturing approximately 70% of global market capitalization, it is constructed as a composite of 7 headline indices, many of which are accepted leaders in their regions. These include the S&P 500® (US), S&P Europe 350, S&P TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50, S&P Asia 50 and S&P Latin America 40.

The S&P EPAC BMI provides exposure to the developed markets within the Europe and Asia Pacific regions. Benchmark returns are all total returns.

The iShares Canadian Short Term Bond Index and iShares Canadian Universe Bond Index contain both government and corporate bonds with short terms (maturing within 1 to 5 years) and mid-terms (maturing within 5 to 10 years). On a term and holdings basis, the use of this benchmark is consistent with the Manitou Income Fund's own exposures.

Manitou mandates may not necessarily invest in any securities listed on any of the aforementioned indices. The percentage mix between asset classes and sectors may differ from that of the benchmark.

Anti-Money Laundering and Terrorist Financing

Under the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and its corresponding regulations, Manitou is obligated to implement specific measures to detect and deter money laundering and the financing of terrorist activity. As such, opening an account for you requires the firm to collect certain completed documentation, as well as investor identification documentation and/or financial entity information. If the firm is aware or suspects that a client is engaged in money laundering or terrorist financing activities, it is the firm's duty to report its suspicions, including to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Any such reporting will be deemed not to be a breach of privacy and confidentiality restrictions imposed by applicable laws or otherwise.

Additional information in respect of the foregoing can be obtained at http://fintrac-canafe.gc.ca.

Canada's legislative measures against terrorists, terrorist groups and other listed and sanctioned individuals and entities, prohibit activity with respect to assets of designated persons and entities. Registered advisers or dealers such as the firm are also required to file monthly reports to securities regulators, stating whether they have had dealings with persons on these designated watch lists.

Dispute Resolution Service

If you have any complaint in regards to the firm's services or concerns that your managed accounts are not being handled in accordance with securities law, or that a staff person is acting unethically, Manitou would like to hear about it.

Complaints should be reported directly to Manitou's Chief Compliance Officer as follows. Written communications may be directed to:

Chief Compliance Officer
Manitou Investment Management Ltd.
150 King Street West, Suite 2003
Toronto, Ontario, ON M5H 1J9

Phone: 416-628-6523
Fax: 416-865-0525

E-mail communications may be sent to compliance@manitouinvestment.com

Manitou will acknowledge your complaint in writing, investigate the matter and provide you with a written response.

If you are dissatisfied with the outcome of your complaint or Manitou has not formally responded to it on a timely basis (i.e. within 90 days), you may, if you are not a resident of Québec, elect to have the complaint mediated by the Ombudsman for Banking Services and Investments (OBSI). If you are a resident of Québec, you may elect to have the complaint file forwarded to the securities regulator in Québec, namely the Autorité des marchés finanicers (Québec), Further details will be provided to you in the acknowledgement and response letter relating to your complaint.