

Conflicts of Interest Disclosure

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This document contains important information regarding conflicts of interest that we have identified. Please read it carefully.

Specifically, this document describes:

- i. How CWB Wealth Management Ltd. addresses, manages or resolves conflicts of interest that may come up between you and us.
- ii. A list of potential conflicts that may arise during your time as a client of ours.
- iii. How we will communicate these conflicts with you.

1. Introduction

This Conflict-of-Interest Brochure (“COI Brochure”) is intended to provide you with important information on conflicts of interests that may arise between CWB Wealth Management Ltd. (“CWB WM, we, us, the Firm, the Manager”) and you (“you, your”). It is important that you are fully informed about these conflicts. Canadian securities laws require us to take reasonable steps to identify, disclose, and respond appropriately to existing and potential material conflicts of interest.

a) What is a conflict of interest?

A conflict of interest is any circumstance where the interests of different parties, such as the interests of a client and those of CWB WM or its employees, are inconsistent or divergent. A conflict of interest also includes any circumstance where a registrant may be influenced to put their interests ahead of a client’s, or any circumstance where there are monetary or non-monetary benefits available to CWB WM, or potential detriment to which CWB WM may be subject, that may compromise the trust a reasonable client would have in us. Conflicts are considered material if they affect the decision making of the client or judgment of CWB WM or its employees.

We could potentially be in a conflict of interest in our dealings with:

- Issuers of securities
- Related dealers and advisors
- Other related companies
- Our employees
- Our clients

Later in this document, we describe each of our potential conflicts, the effects they might have on you and how we deal with them.

b) How do we handle conflicts of interest?

It is our policy to identify conflicts of interest and ensure that we always resolve them in your best interest (ahead of our own interest). If we cannot resolve a conflict in your interest, we will completely avoid the activity that raises the conflict.

We have policies in place to provide ongoing training to our employees to assist them in identifying existing and reasonably foreseeable material conflicts of interest in a timely manner and addressing them in your best interest.

c) Why is this important?

It is important that you understand that if a conflict arises, we will i) always resolve it in your best interest or ii) completely avoid the conflict entirely.

d) Delivery of Disclosure

This COI Brochure will be provided to each client at the time your account is opened. You can also find a copy on our website at www.cwbwealth.com/en/disclosures, or receive a copy by emailing info@cwbwealth.com or by calling our toll free number 1 (855) 292-9655. The COI Brochure will be updated annually, or as required if we identify new material conflicts of interest as part of our ongoing conflicts of interest management. The updated version will be provided to each client in a timely manner by email or mail depending on the consent we received from you.

2. Conflicts of Interest Related and Connected Issuers

Sometimes we deal in the shares of companies or people that are related or connected to us. Here is how we define those terms.

A company or person is a “related issuer” if:

- the person or company is an influential holder of CWB WM;
- we are an influential holder of the person or company; or
- both we and the person or company are related issuers of the same third-party securities.

A company or person is a “connected issuer” if the issuer has a relationship with us that may lead a reasonable prospective purchaser to question whether we are independent from the issuer and believe that we will benefit from it. This includes the issuer’s relationship with us, with one of our related issuers, with our directors, officers or partners or those of our related issuer.

The following are considered our related issuers under Canadian securities legislation.

National Bank of Canada: National Bank of Canada is a bank incorporated under the *Bank Act* (Canada) and is a reporting issuer that holds indirectly 100% of the voting and equity shares of CWB Wealth Management Ltd.

Canadian Credit Card Trust II: This trust is a trust whose administrator is National Bank of Canada and whose securities are publicly distributed. Consequently, Canadian Credit Card Trust is deemed to be a related issuer.

NBI ETFs: National Bank Investments Inc. (“NBI”), a wholly-owned subsidiary of National Bank of Canada, is the investment fund manager of the NBI ETFs. National Bank Trust Inc. is the portfolio manager of the NBI ETFs. National Bank Financial Inc. acts as designated broker and broker of the NBI ETFs.

Related Dealers and Advisors

Because of our own corporate structure and our affiliation with National Bank of Canada and its subsidiaries, we have put policies in place to deal with any potential conflict of interest, and to ensure we act in your best interests.

Canadian Western Financial Ltd. and CWB Wealth Partners Ltd. are wholly-owned subsidiaries of CWB Wealth Management Ltd.

National Bank of Canada is also an important shareholder of many dealers and advisors, meaning it directly or indirectly holds more than 20% of any class or series of voting securities of the following firms:

- Canadian Western Financial Ltd.
- CWB Wealth Partners Ltd.
- National Bank Financial Inc.
- National Bank Investments Inc.
- National Bank of Canada Financial Inc.
- NBC Financial Markets Asia Limited - in Hong Kong only
- NBC Global Finance Limited - in Ireland
- Natcan Trust Company
- National Bank Trust Inc.
- NatWealth Management Inc.
- Nest Wealth Asset Management Inc.

We are therefore related to these dealers and advisors. Although there may be overlaps among the directors and officers of these companies, all of them operate as separate legal entities.

Both we and the related dealers or advisors named here may provide services to each other, including management and administrative services, as well as client referrals.

These relationships are subject to certain legislation and industry regulations. We have also adopted internal policies and procedures to supplement these requirements, including our policies on confidentiality of information.

Proprietary Products

A conflict of interest exists when we advise you to invest your assets in one of the investment funds offered by CWB WM (the “Proprietary Funds” (**See Schedule “A”**)) or in funds related and/or connected to CWB WM.

Where a registered firm distributes proprietary products, a material conflict of interest exists because

CWB WM may be perceived as being influenced by the related and connected nature of these relationships, rather than acting in your best interest. CWB WM may be considered to have an incentive to recommend proprietary products to you over other third-party investment products that do not provide similar benefits to CWB WM. The potential impact and risk of this material conflict of interest could mean that CWB WM is providing you access to proprietary products because CWB is receiving compensation related to those products instead of what's in your best interest. In addition, CWB WM's relationship with these products may cause us to follow a 'know your product' process that is less robust than it otherwise would be for non-proprietary products. CWB WM's review of these products may also be conducted with less independence than what would normally be done by an arm's length party. Further, suitability determinations conducted by us and our representatives could be impacted due to product bias, resulting in a risk of limited products recommended to you.

For example, your PM may invest your assets in a Proprietary Fund where we would receive additional revenue in our role as manager. The conflict arises because there is the potential that we would receive additional revenue from the introduction of these or any other additional proprietary services and limit your options of alternative products. In this case, it may be perceived that we are favouring our business interests over yours.

CWB WM mitigates and manages the conflict in the following manner: i) by ensuring that each service offering we recommend to you is based on a comprehensive suitability assessment – meaning that you will only receive the services that are appropriate to you in our professional judgment. We employ a robust KYC/Suitability process that is supervised by an internal compliance team. We constantly review and assess the services offerings and fees to ensure that they are industry competitive and meet the high standards of our firm; ii) if we recommend a Third-Party Manager or one of the Proprietary Funds, we do so because we have used our professional judgment to assess the appropriateness and suitability of such an investment for you in our discretion. The depth of our research team and the nature of our processes means that we are able to effectively assess a wide range of products and services to ensure they are competitive and suitable to each client; iii) we disclose all fees associated with any additional services to you, including any management fees and operating expenses for the Proprietary Funds (where applicable), custodian, Third-Party Manager, and trading fees. This means you will be able to compare and evaluate our costs; iv) we do not receive any compensation or incentive of any kind from any Third-Party Manager; and v) if we do not deem the service to be suitable for you, then we will not recommend it. If we feel that you would be better served elsewhere then we will make that clear.

Third-Party Compensation

CWB WM may recommend third-party products that in turn provide compensation to CWB WM. Specifically, CWB WM may receive referral or distribution fees from third-party managers.

The potential impact and risk of this conflict for you are that, absent appropriate controls: i) you may perceive CWB WM's recommendations as being driven by third-party compensation as opposed to what is appropriate for you; ii) some or all of the compensation paid by CWB WM would otherwise be payable to you or increase the pro rata value of that investment held by you. CWB WM takes the following steps to mitigate the actual and potential conflicts of interest described above:

- All referral or distribution fees received by CWB WM are either reduced at the payment source or rebated back to you, where legally permissible.

- CWB WM will specifically disclose any third-party fee arrangements to you.
- Third-party compensation does not factor into CWB WM’s investment product reviews in any way.
- CWB WM employees are not directly incentivized to recommend any specific product.

Internal Compensation Arrangements

Your PM or Consultant may be compensated either by salary, salary and bonus, or by commission as a percentage of the revenue the Firm derives based on the services you receive. This means that if you decide to acquire additional services from us, or invest additional assets with us, that your PM or Consultant may receive additional compensation. In addition, certain CWB WM employees are eligible for a bonus based on new client revenue and may earn referral fees when referring clients to connected insurance products. This is a material conflict of interest because CWB WM may recommend products that drive revenues higher when a different product would be more suitable. Where CWB WM employees may receive a bonus upon reaching certain targets, they may be tempted to take on too many clients where they are not able to provide effective and compliant service to all. The risk and impact of this compensation practice may create a situation where some individuals put their interests ahead of yours and recommend securities unsuitable for you or that CWB WM may favour higher commission clients over lower ones receiving the same or substantially similar products and services.

We manage this conflict in the following manner: i) We ensure that that any service or offering we provide is suitable and appropriate to each client, ii) every service or product offered by CWB WM is reviewed and approved by the Firm on an ongoing basis, iii) client suitability and KYC are reviewed by an internal compliance department to ensure that services being offered are appropriate to each client.

Conflicts at the Supervisory Level

One of the mitigation tools that CWB WM uses to control for the compensation conflicts of its employees (see above) is that the Chief Compliance Officer or their delegate (“Compliance”) will review suitability recommendations. However, it may be perceived that Compliance could be conflicted during these reviews as they may derive their own personal compensation from revenue generated by clients. The risk and impact to you is that you may perceive CWB WM as supervising and approving investments where such supervision might not be performed in your best interest. To address this conflict, CWB WM has structured the compensation of Compliance such that supervisory compensation is based on corporate-level performance and it is CWB WM’s policy that no member of Compliance or management receives any direct commission-based compensation. Compliance and members of management are paid a salary plus a bonus not directly tied to commission or sales but overall objectives which may be connected to firm growth and profitability.

Fees and Expenses

CWB WM may have different fee arrangements for the products and services it offers and it may negotiate such fee arrangements in its sole discretion. Fees may vary due to certain client accounts being subject to grandfathered fees, pre-existing client relationships and fee schedules, account size, account aggregation for fee assessment, or other circumstances. The potential impact and risk to you is that some clients may pay less than you for the same or substantially similar products and services. To address this conflict, the Manager has

established processes to ensure clients are treated fairly, honestly, and in good faith.

CWB WM charges fees for the IM Services as a percentage of the market value of a client's account. The fee schedule is disclosed at account opening, at point of sale, in your quarterly statements and at any other time as required.

CWB WM charges management fees for the Private Funds that have "Jov Prosperity" in their name and for certain series of units of the Onyx Funds (see Schedule A). The maximum annual management fee is disclosed in the simplified prospectus of the Onyx Funds.

Where CWB WM holds commission-based securities in fee-based accounts, it could be perceived that CWB WM is obtaining dual compensation in that it is earning fees associated with the management of the account while also recommending securities that drive additional compensation to CWB WM. The potential impact and risk to you is that CWB WM recommends securities based on commission revenue to the firm rather than based on your best interest. CWB WM has established processes to ensure that investment recommendations are both suitable and in the client's best interest.

Where expenses are incurred by the Manager and eligible to be charged to the CWB Funds (based on rates set out in the respective offering documents), CWB WM could choose to allocate non-eligible expenses to the Funds or allocate expenses among the Funds in a manner that is not equitable. The potential impact and risk to you is that it could be in CWB WM's interests to allocate expenses to the Funds rather than to ourselves as expenses allocated to the Funds are indirectly borne by its investors rather than by CWB WM. The amount of expenses charged to an investment has a direct impact on its management expense ratio and will reduce its potential investment return. To address and mitigate this conflict, CWB WM performs daily reviews of accruals to ensure pro rata allocation of shared fees and expenses, and we have retained an external accounting firm to audit and ensure that only eligible expenses are charged to the Funds.

Referral Arrangements

CWB WM may enter into referral arrangements where another party refers clients to us or where we refer clients to a third party for a fee. A client may have been referred to CWB WM by an employee within the National Bank of Canada group of companies, who may or may not be registered to provide investment advice. The purpose of any referral is to better align the client's investment needs with the National Bank of Canada group of companies entity that can best provide the specific services or products requested. CWB WM does not receive any referral fees from other members of the National Bank of Canada group of companies. We may also receive referrals from third parties.

When referring a client to a third party, or accepting a referred client, CWB WM will ensure that such a relationship is in your best interest. CWB WM will not enter a referral arrangement solely because of the referral fee that we will receive. Furthermore, if a client pays more for the same, or substantially similar, products or services as a result of a referral arrangement, CWB WM would not be appropriately discharging its obligations to you. The potential impact and risk on you is that, absent appropriate controls, you may end up paying more for a service due to referral costs as compared to a client that had directly engaged the services of a referee party. Furthermore, you could potentially be referred to services that you do not need or to a service provider that is

not optimal as a result of the potential fees received under the referral arrangement rather than in your best interest.

In order to address and mitigate any actual or potential conflicts, CWB WM will bring the referral relationship and the terms of that referral relationship to your attention upon account opening, and you will be provided with a Referral Agreement for review. In addition, CWB WM has adopted several procedures to ensure that accepting a referral is in your best interest. These procedures include: requiring the Ultimate Designated Person to approve all referral agreements; conducting due diligence on all potential third-party referrers; ensuring that you do not pay additional fees or compensation for the same service or product provided to other CWB WM clients as a result of the referral arrangement; ensuring that referral fees are excluded from any compensation bonus or practice; and keeping a record of all payments related to CWB WM's referral arrangements.

The details of these referral arrangements, including the parties to the referral arrangement, the way the referral fee for services is calculated, and the party to whom it is paid will be provided to you in a separate document at account opening. All services resulting from a referral arrangement relating to your account that require registration under applicable securities legislation will be provided by CWB WM.

Clients are also referred to CWB WM by outside third parties; clients will be provided in writing with the appropriate disclosure in such cases.

Outside Activities

At times, individuals under the employment of CWB WM may participate in outside business activities such as serving on a board of directors, participating in community events, or pursuing personal outside business interests. These outside activities could impact the amount of time a CWB WM employee spends on CWB WM employment or registration obligations and create a conflicting interest as to how a CWB WM employee discharges their obligations to CWB WM or its clients. The potential impact and risk on you is that, absent appropriate controls, the CWB WM employee could have insufficient time to create appropriate investment solutions for you and/or provide advice that is biased by personal interest rather than in your best interest.

To address and mitigate any actual or potential conflicts, CWB WM has policies in place, which require individuals to avoid situations where a conflict of interest may arise, and for registered individuals to seek approval prior to initiating an outside business activity. An analysis is conducted based on the nature of the outside activity and the time commitment to ensure there is little impact to client service. CWB WM does not allow any employee to participate in any activity that could potentially create a conflict between their interests and the interests of our clients.

Gifts and Entertainment

CWB WM's employees may be offered gifts and entertainment from business partners, service providers, vendors, or clients. The potential impact and risk of this conflict is that receiving gifts or business entertainment from a client, outside of acceptable standards, may lead an individual to put that client's interests ahead of other client's interests or influence the type of recommendations provided by the advisor. Additionally, providing gifts or business entertainment to a client outside of acceptable standards may be viewed as an undue attempt to gain a client's favour.

To address and mitigate this conflict, CWB WM has established a Gifts and Entertainment policy that is intended to deter providers of gifts and entertainment from seeking special favours from CWB WM employees. The procedures are designed to address the concern regarding the activities performed and the business relationships established by investment professionals because gifts of more than a nominal value may cause investment professionals to feel placed in a position of “obligation” and/or give the appearance of a conflict of interest.

Best Execution and Soft Dollars

CWB WM may hire a brokerage firm to execute trades on our behalf based on a pre-existing relationship, rather than objective qualitative or quantitative considerations. CWB WM may also enter into soft dollar arrangements with certain brokerages. This is considered a best execution conflict of interest where the impact and risk are that we may be preferring our relationship with certain brokerages rather than executing trades with a broker offering the most optimal price. To best mitigate this conflict, CWB WM maintains a best execution policy to oversee and ensure that it is meeting its best execution obligations. In seeking best execution in effecting portfolio transactions, several factors, including but not limited to execution price, speed of execution, certainty of execution, and overall cost of the transaction, are considered. The same criteria are used in selecting broker-dealers, regardless of whether the broker-dealer is an affiliate of CWB WM. Broker-dealers are selected from a list of approved broker-dealers, who may charge a commission more than that charged by other broker-dealers if it is determined in good faith that the commission is reasonable in relation to the services being provided by the broker. In addition, CWB has implemented a process where: i) the Chief Investment Officer (“CIO”) reviews and pre-approves all soft dollar arrangements; ii) all commissions are document by the research team and reviewed by the CIO; iii) the CCO is tasked with reviewing soft dollar arrangements annually to verify that the commissions charged are reasonable and proportionate to the value of service; and iv) where appropriate, soft dollar conflicts are referred to the Funds’ Independent Review Committee (“IRC”).

Pricing and Valuation

CWB WM has a duty and obligation to use fair value pricing procedures. For a discretionary managed client account, there is a potential conflict of interest since our fees for IM Services are based on the value of the assets held. A similar potential conflict of interest exists in the valuation of our Funds, where a higher net asset value (“NAV”) of a Fund increases the management fees earned by CWB WM. Overstating a Fund’s NAV would also improve the Fund’s performance which might result in greater investment in those Funds that, in turn, would result in CWB WM earning higher revenue. Inflated valuations could also lead to clients and other interested parties to receive misleading reporting. The potential impact and risk of this conflict is that CWB WM could be motivated to support a valuation of a client account or a calculation of NAV of a Fund that misleads performance or supports a higher valuation to increase assets and thus IM Services and Fund management fee revenue, in a manner that would be in our own interests rather than purely in the interest of the client. To address this conflict, CWB WM has retained an external party to review each Fund’s financial statements and NAV. In addition, CWB WM has policies and procedures in place to ensure that this conflict is mitigated by outsourcing the pricing of securities to a third party and setting out a procedure for dealing with differences of opinion regarding valuation issues (see also Trade Error and NAV Error below).

Fair Allocation of Investment Opportunities

We have implemented an internal policy to provide for the fair and equitable allocation of investment opportunities among our clients. There exists a potential conflict of interest where CWB WM may be incentivized to give certain clients priority over others when allocating trades. The potential risk and impact to you is that clients whose accounts contribute a higher amount of revenue for the firm, such as institutional clients with significant assets invested with the firm, or clients that the firm may be seeking additional business from now or in the future, may be favoured thereby limiting the investment opportunities made available by CWB WM to you. It is fundamental to CWB WM's commitment to treat all client accounts fairly and equitably. To address this conflict, CWB WM has adopted the following principles and practices:

- i. All accounts are treated in a fair and equitable manner and favouring certain accounts over others is not permitted.
- ii. No preferential allocation of partial fills takes place.
- iii. Subject to clients' IPS, the executed portion of the order, including new issues, is prorated among individual accounts. Where pro-rata allocation is not appropriate (e.g., de minimis allocation), the Portfolio Manager and/or designate will reallocate based on objective criteria and in a manner that ensures all accounts receive fair and equitable treatment over time.
- iv. Each account that participates in a block trade receives the identical average execution price.

Trade Error and NAV Error

Under Canadian securities laws, CWB WM is subject to certain rules that forbid the trading of securities between a Client's managed account and an investment fund managed by the same manager, or between accounts. However, CWB WM has obtained relief from the regulator that allows it to carry out cross-trades of securities between Managed Accounts and between Managed Accounts and funds managed by CWB WM. While cross-trades may give rise to conflicts of interest similar to that of personal trading, CWB WM additionally manages cross-trades by: i) obtaining a client's acknowledgement for the cross-trade, and ii) compliance review and approval of each cross-trade to ensure it is in the client's best interest.

Control or Authority over Client Accounts

CWB WM prohibits any of its employees from entering into arrangements through which the employee would have full control or authority over client accounts (e.g. power of attorney, executorship).

CWB WM may have certain legacy or exception-based arrangements of this type and such arrangements and client accounts are subject to additional and ongoing due diligence to ensure all activities are performed in the client's best interest.

Client Complaints

CWB WM may be motivated to ignore or minimize client complaints to reduce or eliminate the potential for financial or reputational losses. The potential impact and risk of this conflict is that CWB WM could be incentivized to resolve complaints in our own best interests, rather than in the interests of the complainant.

To control this potential conflict, CWB WM has a client complaint handling policy which applies to its activities as a portfolio manager and exempt market dealer. If we receive a complaint from a client, we will provide the client with an acknowledgment which includes a description of our obligations under applicable securities laws, the steps the client must take to avail itself of the Ombudsman for Banking Services and Investments (“OBSI”), an independent dispute resolution mechanism, and the name and contact information for OBSI. If we decide to reject a complaint or make an offer to resolve a complaint, we must provide the client with written notice of our decision as soon as possible and we must make OBSI available to the client at our expense. Any claims to OBSI must be no greater than \$350,000.

CWB Wealth is a trademark and business name of CWB Wealth Management Ltd. (“CWB WM”). CWB WM is a subsidiary of National Bank of Canada.

Schedule A

List of funds offered by CWB WM, as at December 2, 2024:

CWB Onyx North American Equity Fund
CWB Onyx Diversified Income
CWB Onyx Canadian Equity
CWB Onyx Global Equity
CWB Onyx Conservative Solution
CWB Onyx Balanced Solution
CWB Onyx Growth Solution
(collectively, the “Onyx Funds”)

CWB McLean & Partners International Equity Pool
CWB McLean & Partners Canadian Equity Pool
CWB McLean & Partners Global Equity Pool
CWB McLean & Partners Global Balanced Pool
CWB McLean & Partners US Equity Pool
CWB McLean & Partners Diversified Fixed Income Pool
CWB McLean & Partners Tactical Monthly Income Pool
CWB Wealth Small Mid Cap Equity Fund
Jov Prosperity Canadian Fixed Income Fund
Jov Prosperity Canadian Equity Fund
Jov Prosperity U.S. Equity Fund
Jov Prosperity International Equity Fund
Leon Frazer Canadian Dividend Fund
Leon Frazer Income Stability Fund
JOV Leon Frazer Bond Fund
(collectively, the “Private Funds”)