



## **Statement of Policies Respecting Conflicts of Interest**

Securities regulations in Canada require all dealers and advisers to comply with certain rules in relation to conflicts of interest, particularly with respect to the disclosure of information in the regard.

### **Purpose of this Document**

It is important for you to be informed about how we identify and respond to conflicts of interest in order to minimize their impact. We consider a conflict of interest to be any circumstance where the interests of different parties, such as the interests of a client and those of Acumen Capital Finance Partners Limited (“Acumen”), are inconsistent or divergent.

Acumen takes reasonable steps to identify all existing material conflicts of interest, and those we would reasonably expect to arise. Acumen then assesses the level of risk associated with each conflict. Acumen avoids any situation that would entail a serious conflict of interest or represent too high a risk for clients or market integrity. In any other situation entailing a conflict of interest, Acumen ensures that appropriate measures are implemented to control the conflict of interest effectively.

The purpose of this Statement of Policies respecting conflicts of interest is to inform you of the nature and extent of conflicts of interest that may affect the services Acumen provides you.

Acumen is a full service investment dealer and a member of the Investment Industry Regulatory Organization of Canada. Acumen provides retail advisory and brokerage services, institutional brokerage, corporate finance and research services.

### **Conflict of Interest Situations**

The situations in which Acumen or its employees could be in a conflict of interest, and the way in which Acumen intends to respond to such conflicts are described herein below.

The securities laws of the Canadian Provinces require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules. These rules require dealers, and advisers, prior to trading with or advising their customers or clients, to inform them of the relevant relationships and connections with the issuer of the securities. Clients and customers should refer

to the applicable provisions of these securities laws for the particulars of these rules and their rights or consult with a legal adviser. As of March 26, 2012, Acumen Capital Finance Partners Limited is not related or connected to any such issuer of securities.

In the ordinary course of performing their duties, our directors, officers, employees, representatives and agents may find themselves in situations where their personal interests may be in conflict with those of a client.

Acumen has equipped itself with a Policies and Procedures Manual and internal policies dealing with the situations related to its activities. Among other things, they reiterate that Acumen employees must never favour their own interests to the detriment of their responsibilities toward Acumen's clientele and Acumen itself. Those documents set forth the basic principles by which its employees' conduct is guided, particularly including the following:

1. Confidential information: It is prohibited to use confidential information acquired in the course of one's duties, or exploit a situation for the purpose of obtaining an advantage of any kind.
2. Gifts, entertainment and compensation: It is prohibited to accept gifts, entertainment or compensation that could influence decisions to be taken in the course of performing one's duties.
3. Other business activities: It is prohibited for Acumen employees to engage in activities that could interfere with or enter into conflict with their duties. Acumen has a policy respecting its employees' other business activities. The policy is intended to detect and, where applicable, supervise, disclose or prohibit any conflicts of interest. Employees wishing to act as directors or officers of a public or private company must declare their intentions and be duly authorized by Acumen.
4. Client priority rule: The interests of clients must always be given priority over those of Acumen and its employees. For this reason, and to avoid conflicts of interest between two orders for the same security at the same price (or a better price), the order coming from a client is always executed prior to the one from Acumen or one of its employees.
5. Principal trading: Acumen may sell you securities which Acumen owns (called principal trades) and profit by doing so. Acumen discloses whether we acted as principal or agent for each transaction on the trade confirmation.
6. Referrals: On occasion, clients may be referred by third parties to Acumen for the purpose of obtaining the products and services offered by Acumen. Acumen may also refer clients to third parties. When such referrals involve a referral commission, they must comply with the existing regulations and be subject to the required disclosures to clients so referred. Such disclosures allow the clients concerned to make an informed decision with respect to the referral and to assess any potential conflicts of interest.
7. Corporate finance and advisory activities: For a fee, Acumen offers corporate financing and advisory services. To avoid certain conflicts of interest and protect the confidentiality of privileged information, procedures and policies are established and the Acumen corporate finance department involved in such functions is physically separated. Policies are also in place

to ensure the corporate finance department does not inappropriately influence over other areas in the firm, such as research.

8. Policy respecting the allocation of securities: Acumen's advisors make a determination of the allocation of securities among clients in the event there is an insufficient quantity of such securities to meet the demand based on individual client relationships.

9. Personal investments: Acumen employees' personal investments are also subject to Acumen policies and supervision.

10. Compensation: Acumen and its employees earn compensation by selling products and services to our clients. Different products and services have differing levels of compensation. We may receive compensation from securities issuers and other third parties based on their products we sell to you, such as "trailer fees" on mutual funds. Securities regulations require issuers to provide specific disclosure in the offering document (ex. prospectus) of such arrangements and the compensation we will receive. We will inform you of fees, commissions and other compensation in advance so that you know what you will be paying. We may choose not to offer a complex product/service that carries a high commission. Depending on the product or account type you choose, we also offer pricing alternatives to our clients.

We are compensated in other ways as a result of the business you may do with us, including interest spreads on uninvested cash deposits with us and foreign exchange spreads when you convert currencies. Various forms of other compensation we may receive are disclosed to you.

We would like you to use more of our services and buy more of our products. We are required by regulation and firm policy to make suitable investment recommendations. We have policies and procedures prohibiting recommendations of services solely for the purpose of generating revenue for us without any benefit to you. We do not engage in "tied selling" where the purchase of one service is conditional on buying another as well, a practice that is prohibited by regulation in any event.

11. Research- Acumen provides investment research on securities of companies that may have other business relationships with us. Acumen provides full disclosure of any conflicts of interest in all research reports disseminated. Our research and recommendations are subject to extensive and detailed regulatory requirements and internal standards.

### **Other Conflicts of Interest**

From time to time, other potential or actual conflicts of interest may arise. Acumen undertakes to continue taking the necessary steps to identify and respond to such situations fairly and reasonably, in keeping with the standard of care to which it is subject to in its relationships with its clients. This Statement of Policies Respecting Conflicts of Interest of Acumen will be updated should there be an evolution with respect to material conflicts of interest.