



February 20, 2023

Conflicts of Interest Updates and Disclosures

Pursuant to securities laws effective June 30, 2021, Pacific Spirit Investment Management Inc. (Pacific Spirit) is providing the disclosures below relating to existing and reasonably foreseeable material conflicts of interest that may affect you as our client. This includes how we address material conflicts in the best interests of our clients. As always, please contact Pacific Spirit at 604-687-0123 with any questions about these disclosures, or how they may relate to your investment plan.

Should any additional conflicts of interest be identified either after you receive this disclosure or after opening an account, we will inform you in a timely manner.

It is important that you read the updated disclosures below to understand the nature and extent of the material conflicts of interest, and any potential impacts on you. This Disclosure document will also be available at the Resources section of Pacific Spirit's website (<https://www.pacificspirit.ca/news-resources/>)

A conflict of interest may arise when:

- Pacific Spirit or one of our Advisors have separate business or personal interests that differ from a client's interests,
- Pacific Spirit or one of our Advisors may be influenced to put their own interests ahead of a client's interests,
- Monetary or non-monetary benefits or disadvantages to Pacific Spirit or one of our Advisors might compromise a reasonable client's trust,
- There are differing interests amongst clients, resulting in preferential treatment for some in the operation and management of their account and execution of trades.

Generally, a conflict of interest is material if it may be reasonably expected to influence either your decisions as a client or Pacific Spirit or its Advisors' recommendations or decisions.

Pacific Spirit seeks to identify and address material conflicts of interest through policies and procedures which include requiring all employees to avoid any situations in which their personal interests conflict or appear to conflict with the interests of a client. Our policies and procedures also include a broad definition of conflicts of interest, a defined escalation procedure for conflict handling, the

appropriate resources, independence and authority for our Compliance Officers, and other internal controls to address conflicts of interest.

Avoiding Conflicts of Interest

The most effective way to deal with potential conflicts of interest is to avoid them entirely. As a result,

- Pacific Spirit does not sell any proprietary product.
- Pacific Spirit does not receive any third-party compensation – your fee is the only income that we receive.
- Pacific Spirit does not give or receive any referral fees.
- Pacific Spirit does not invest client funds in any products that have embedded commissions payable to Pacific Spirit.
- Pacific Spirit does not have any soft dollar arrangements.
- Pacific Spirit does not purchase assets from clients outside the normal course of business.
- Neither Pacific Spirit Investment Management nor our affiliate 415277 BC Ltd. offer securities to the public.

Trading

Employees must not prefer their own economic interests over the interests of a client or the interests of the firm when trading for their own accounts. All trading by employees must be pre-cleared by Pacific Spirit's Chief Compliance Officer, who will only approve the trading only if the firm does not intend to transact in that security on behalf of a client on the same day.

In the case of personal trading by the Deputy Compliance Officer or his spouse, all trades are subject to pre-approval by the Chief Compliance Officer. In addition, all trades for the Deputy Compliance Officer or his spouse will be entered on a last-in (for buys) or last-out (for sales), so that clients receive priority in trading.

In the case of personal trading by the Chief Compliance Officer, his spouse, family members, or 415277 BC Ltd., all trades are subject to pre-approval by the Deputy Compliance Officer. In addition, all trades for the Chief Compliance Officer, his spouse, family members, or 415277 BC Ltd., will be entered on a last-in (for buys) or last-out (for sales), so that clients receive priority in trading.

All employees are required to submit their personal brokerage accounts for review monthly.

Gifts and Entertainment

The firm has adopted the CFA Institute's guidelines limiting the acceptance of gifts, entertainment, compensation, or gratuities from external sources that would compromise the independence or objectivity of the Firm and/or its employees. While it is recognized that conducting business involves some modest exchange of gifts and business-related entertainment, the value of such gifts and entertainment must not create a real or perceived conflict of interest and must not impair the independence or objectivity of the recipient. Gifts and entertainment can neither be received nor given by an employee if they are frequent, excessive, or extravagant.

In accordance with these guidelines, the firm does not allow employees, regardless of their affiliation with the CFA Institute, to accept from brokers, service providers, business associates, and/or clients, gifts or entertainment that are reasonably expected to compromise the employee's independence or objectivity. Reasonable judgment by the employee must be exercised in all circumstances. If an employee receives any gratuities and/or gifts that could possibly be viewed as impairing their independence or objectivity and/or is above the firm's pre-determined per-item threshold of \$400 or an annual maximum of \$800 from the same gift source, the employee must immediately advise the Chief Compliance Officer, who will determine if the gift poses a potential conflict of interest and whether it would be reasonably expected to impair the employee's independence or objectivity. If the gift does present a conflict of interest, the gift will be returned, otherwise it may be kept. The Chief Compliance Officer may also consult with the Board of Directors of the firm to determine actions required, if any, to address the potential conflict of interest. These guidelines do not preclude acceptance of customary, ordinary, business-related entertainment and/or token gifts (including promotional items), so long as the purpose is not to influence any employees and they are of nominal value. Participation in business-related entertainment opportunities is permitted if there is a representative from the hosting organization present and the event includes business discussions and/or opportunities for building business relationships. The acceptance of cash gifts (including gift certificates and pre-paid credit cards), securities or loans, however, is strictly prohibited.

The firm may provide gifts or entertainment to the firm's clients, service providers, brokers, etc., if the value is below the firm's pre-determined monetary threshold, or it is pre-approved by the Chief Compliance Officer, and it does not give rise to an actual or perceived conflict of interest.

Outside Activities

All registered employees must disclose their outside activities as required by securities legislation. If an employee is registered, he or she must not engage in reportable outside activities without the permission of Pacific Spirit. The firm will not permit outside activities that will result in non-compliance with securities or other legislation, where there is a risk to good faith dealings with clients, or that may damage the firm's best interests.

If the Chief Compliance Officer approves the outside activities, the firm will regularly monitor the employee's outside activities to ensure that there is no risk to the firm or its clients.

Tailored Investment Management Agreement

Pacific Spirit Investment Management Inc. uses a standard investment management agreement which is tailored to each individual client. The modifications to the standard agreement may include modifications to Appendix A (Investment Policy Statement) and our fee schedule. Fees may be adjusted to reflect the size of the assets under management for an individual, a family unit, or an extended family unit, the nature of assets transferred into the account, large cash balances, the financial stability of the client, whether the client is a non-profit organization, and for other reasons. We reserve the right, on a client-by-client basis or for all clients as a whole, to charge less than the agreed fee when we, in our sole opinion, feel that this is fair in the circumstances.

Fair Allocation of Investment Opportunities

Our principal determining factor in allocating investment opportunities among our managed accounts is suitability according to the investment objectives of each account. No single account or type of account receives preference.

When we place orders for more than one account as a combined or block order and transactions are executed at varying prices, we use our best efforts to treat all clients fairly and reasonably in the context of the nature of that transaction and the transaction costs. Generally, we determine an average price for the combined order and allocate the costs among the accounts participating in the order.

When we place orders for more than one account as a combined or block order and less than the total order is executed in a single market session, we will try to allocate the order on a pro rata basis as far as possible. However, we also consider the following:

- Maintaining board lot positions.
- The proportion of the portfolio (or portfolio section) that the security represents.
- The weight of the industry or security type in the portfolio or portfolio section.
- The cash reserve position in the portfolio or portfolio section.
- Trading costs.
- Such other factors as may be relevant to the order in question

For initial public offerings, if there is interest indicated for more than one account at a particular brokerage firm and less than the total amount of interest is available through that brokerage firm, we will try to allocate subscriptions on a pro rata basis as far as possible. However, we also consider the following:

- Maintaining board lot positions
- The proportion of the portfolio (or portfolio section) that the security represents.
- The weight of the industry or security type in the portfolio or portfolio section
- The cash reserve position in the portfolio or portfolio section
- Trading costs
- Such other factors as may be relevant to the order in question.

Personal Relationships and Personal Financial Dealings with Clients

There is a potential conflict of interest where a close personal relationship exists between an Advisor and a Client. Advisors are prohibited from accepting appointments of fiduciary roles (e.g., power of attorney, executor, trustee, administrator, committee) for a client, except with respect to immediate family members. Advisors are prohibited from entering into personal financial dealings with clients including lending, borrowing, private investment schemes, and sharing an account with a client (e.g., an investment club), except with respect to immediate family members.

As at February 20, 2023, the following positions are held by the following people:

Advisors	John S Clark Dennis F Wan
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Chief Compliance Officer	John S Clark
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Deputy Compliance Officer	Dennis F Wan
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02-20-2023

Chief Compliance Officer John S Clark

Deputy Compliance Officer Dennis F Wan