



OPTIMUM[®]

Global Asset Management

Client Relationship Disclosure Document

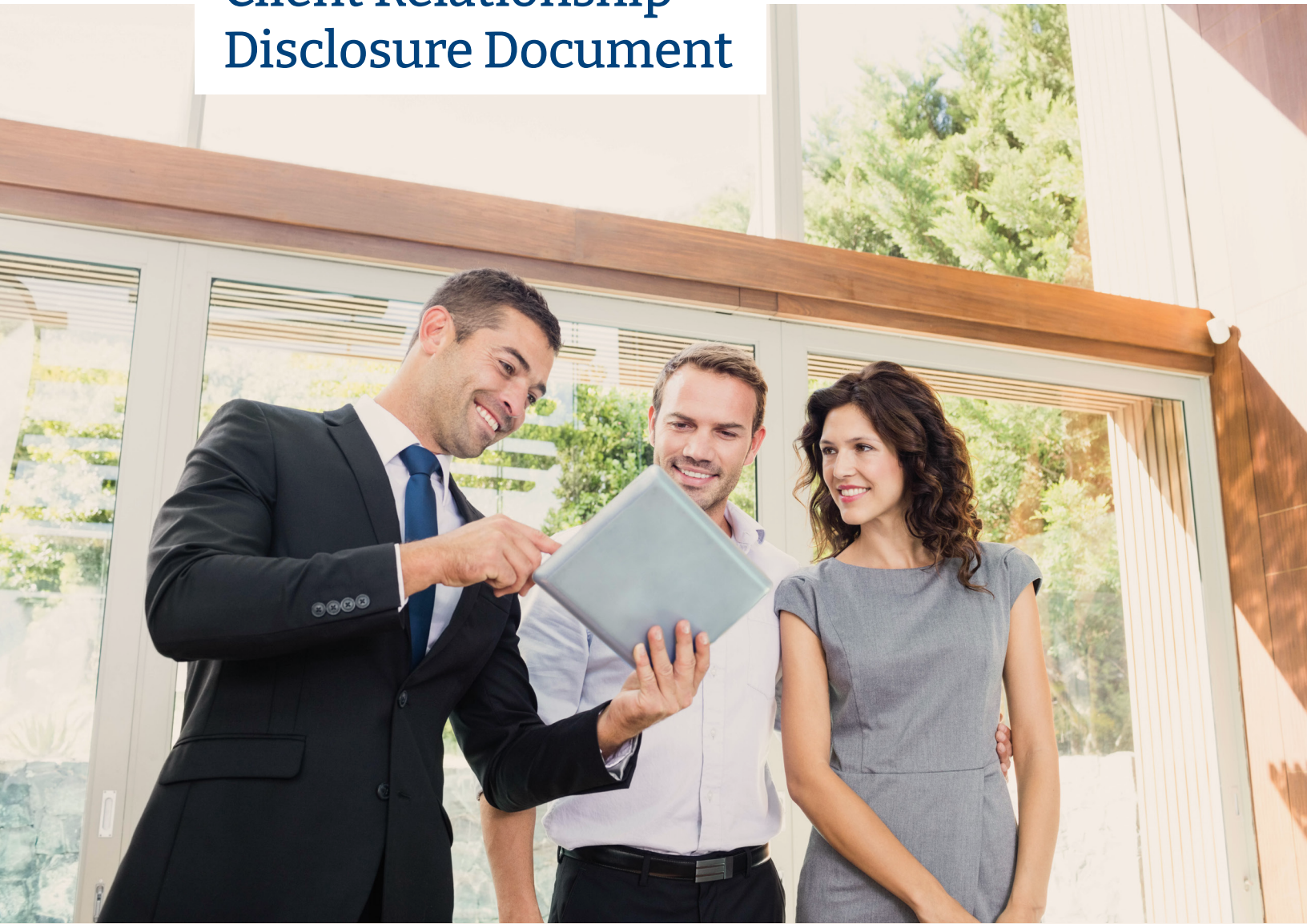




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This Client Relationship Disclosure Document is intended to provide you with a clear and transparent description of the business relationship established between you and Optimum Asset Management Inc. (“OAM”). It aims to help you better understand the services offered and the terms governing the management of your portfolio.

This document outlines, in particular, the products and services offered, how your investments are managed according to your profile and financial objectives, the applicable fees and compensation, and the main associated risks. It also describes practices related to communication, complaint handling, conflict of interest management, and the protection of personal information. We encourage you to read it carefully, as it is an essential component of our commitment to transparency, diligence, and the protection of your interests.

Our Products and Services Offering

OAM is registered as an Investment Fund Manager (IFM), Portfolio Manager (PM), Derivatives Portfolio Manager (DPM), and Exempt Market Dealer (EMD) across all Canadian provinces and certain territories.

Its head office is located in Montréal, Québec, and its principal regulator is the Autorité des marchés financiers (AMF).

Services Offered

OAM provides portfolio management services through managed accounts under discretionary management mandates. Under these mandates, our duly registered portfolio managers are authorized to make investment decisions on your behalf, without obtaining your prior consent, provided such decisions comply with the investment guidelines agreed upon with you.

OAM offers two types of investment solutions:

- Direct investment in securities: securities are held directly in your portfolio, offering greater transparency and flexibility. However, this solution is more sophisticated, more costly, and requires higher minimum capital to ensure adequate diversification. It also requires the use of an independent custodian.
- Investment through Optimum Funds: Optimum Funds are pooled investment trusts that combine assets from multiple investors to achieve broader diversification and simplicity. Each investor holds units representing their share of the fund’s assets. This solution allows for greater diversification, even with more modest investment amounts.

Your portfolio manager will work with you to determine the most appropriate solution for your situation.

OAM also offers financial planning services to support you in achieving your short-, medium-, and long-term financial objectives. This service is based on a comprehensive approach covering seven key areas: personal finances, taxation, investments, retirement, estate planning, insurance, and legal considerations.



Products Offered

OAM offers units of private investment funds (“Optimum Funds”) that it manages. These Funds are distributed under prospectus exemptions to investors who meet certain regulatory criteria, including qualified clients.

This status stems from the discretionary management mandate granted to OAM, under which it exercises full decision-making authority over investments on behalf of the investor, in accordance with applicable securities laws.

Optimum Funds are structured as trusts established by a trust agreement between the settlor (OAM) and the trustee (RBC Investor Services), for the benefit of unitholders.

The trustee is responsible for holding, safeguarding, and protecting the assets of the Funds and ensuring compliance with the terms of the trust agreement.

While OAM primarily designs and offers its own investment solutions, some may be developed in partnership or include investments in products managed by external managers.

Our Relationship

Know Your Client and Suitability Assessment

As part of establishing the client relationship and throughout its duration, we collect, use, and update the information necessary to gain a thorough understanding of you. This information is essential to develop and recommend an appropriate asset allocation aligned with your circumstances and investor profile. It includes, in particular, information regarding:

- your personal situation;
- your financial situation;
- your investment objectives;
- your investment time horizon;
- your risk tolerance;
- your investment knowledge and experience;
- any other relevant information required to assess your overall situation.

This process, required by securities legislation, is fundamental to our duty to act with care, diligence, and in your best interest.

To this end, your portfolio manager reviews your investor profile at least annually or whenever there is a significant change.

On your part, you are required to provide accurate, complete, and up-to-date information, and to notify us promptly of any changes that may affect your investor profile.

Vulnerable Clients and Trusted Contact Person

OAM recognizes that certain clients may, on a temporary or permanent basis, find themselves in a situation of vulnerability. A client may be considered vulnerable when specific circumstances may limit their ability to make informed financial decisions or increase their exposure to risk, including due to age, physical or mental health issues, difficult personal circumstances, social isolation, or particular financial situations.

To better protect its clients’ interests, OAM has implemented measures aimed at identifying and appropriately addressing such situations of vulnerability.

These measures may include, among others, the designation of a trusted contact person, whom we will ask you to identify when opening your account or updating your information, so that this person may be contacted under specific circumstances agreed upon with you.



Subject to your prior consent, OAM may communicate with the designated trusted contact person where there are reasonable grounds to believe that you may be the victim of financial exploitation, abuse, or fraud; where serious concerns arise regarding your ability to make informed financial decisions; or where it becomes necessary to facilitate contact with you. Any communication with the trusted contact person will be limited to strictly necessary information and carried out in accordance with your authorization, in compliance with confidentiality requirements and applicable regulations, and solely for the purpose of protecting your interests.

The trusted contact person is not authorized to provide instructions, carry out transactions, or access detailed financial information regarding your account.

Temporary Account Restrictions

Under certain circumstances provided for by applicable regulations, OAM may place a temporary hold or restriction on a client's account, which may partially or fully limit the ability to carry out transactions.

Such a hold may be applied, in particular, where OAM has reasonable grounds to believe, among other things, that:

- the client may be vulnerable and no longer able to make informed financial decisions;
- there is a risk of financial exploitation or abuse affecting the client;
- the instructions received are inconsistent, unusual, or incompatible with the client's profile;
- essential information required for suitability assessment or regulatory compliance is missing, incomplete, or outdated;
- a situation involving regulatory or contractual non-compliance needs to be clarified.

Depending on the circumstances, the hold may involve:

- a temporary suspension of transactions;
- restrictions on certain types of transactions;
- maintaining the assets without any new transactions until the situation has been resolved.

OAM applies any such hold in a reasonable, proportionate, and temporary manner, and only for as long as necessary to protect the client's interests and to comply with regulatory requirements. Where appropriate, OAM will attempt to contact the client or the designated trusted contact person to clarify the situation.

Once the concerns have been addressed or the required information has been obtained, the hold is lifted and normal account operations resume, subject to applicable laws and agreements.

Our Fees

In consideration for its portfolio management services, OAM charges management fees based on the market value of your portfolio. The applicable rates are set out in the appendix to the management agreement you have signed with us.

Where OAM uses Optimum Funds in the management of your portfolio, no commissions are charged on the purchase or redemption of units. However, certain administrative and operating expenses are borne indirectly by you, as they are deducted from the assets of the Funds. These expenses may include, among others, custody fees, transaction settlement costs, and annual audit fees. All such expenses are detailed in the financial statements of each Fund. They are therefore incurred in addition to the management fees mentioned above.

Where your portfolio consists of securities held directly, certain third-party fees may apply, such as custody fees and brokerage commissions charged upon the execution of securities transactions. These fees are borne by you and are in addition to the management fees.

Custody of Assets

The manner in which your assets are held depends on the investment solution selected:

Where securities are held directly in your portfolio, your assets are kept by the custodian you have designated, with whom your accounts are opened in your name. Under the discretionary mandate you have granted to us, OAM has access to your accounts solely for the purpose of executing investment decisions made in accordance with that mandate.

Where your portfolio is invested in Optimum Funds, the units representing your ownership interest in the assets are recorded in a register maintained by an independent third party. RBC Investor Services (RBC IS) has been appointed by OAM to act as registrar. In this capacity, it records all transactions (subscriptions, redemptions, and transfers) and ensures the accuracy of investors' holdings.

RBC IS also acts as custodian of the assets of each Fund. These assets are held separately and distinctly from those of OAM, RBC IS, and the other Funds.

Furthermore, in its capacity as an investment fund manager, OAM does not have physical custody of the Funds' assets or units and only has access to them to the extent necessary to carry out its management responsibilities, in accordance with the Funds' constating documents and the agreements entered into with the custodian.

Although the use of an independent custodian contributes to the safeguarding of investors' assets, such assets remain exposed to the custodian's operational and financial risks, including the risk of default.

Use of Borrowing

Purchasing securities using borrowed funds involves significant risks. The use of leverage can amplify gains but may also substantially increase losses. If the value of the securities declines, losses may exceed the initial capital invested.

It is important to note that margin borrowing is not included in the assets covered by the discretionary management mandate granted to OAM. The mandate applies solely to the management of assets held in the client's account and excludes any financing, borrowing, or obligations arising from the use of a margin facility or any other borrowing arrangement provided by a financial institution.

Reporting and Information About Your Portfolio

Account Statements

OAM undertakes to make available a report summarizing the status of your portfolio management on a quarterly basis. This report outlines the transactions carried out by the portfolio manager, lists all account activity, and provides an assessment of your portfolio's performance over the period. If you choose electronic delivery, the same report is produced monthly and made available through our secure website.

Reports on Fees, Charges, and Performance

You will also receive, on an annual basis, a report on fees that provides a detailed breakdown of all fees and charges incurred in connection with the management of your portfolio during the reporting period. In addition, you will receive a performance report outlining your portfolio's overall return and its evolution over time. These reports are intended to provide clear and transparent information to help you better understand the costs associated with the services provided and the performance of your investments.

Financial Statements of Optimum Funds

Where your portfolio includes investments in Optimum Funds, interim and annual financial statements will be provided to you in accordance with applicable regulatory requirements, including semi-annual financial statements and the annual report.



Benchmarks

OAM uses benchmarks to help you assess the performance of your investments relative to the market. Benchmarks provide an indication of overall market performance, while portfolio managers aim to outperform these benchmarks in order to generate positive added value. However, it is important to note that benchmarks do not reflect the fees associated with managing your investments, nor do they take into account the impact of cash inflows and outflows during the period.

As a result, your actual performance may differ from that of the benchmarks, particularly when performance is calculated using the internal rate of return (IRR) methodology.

Furthermore, there is a wide range of benchmarks available, and it is essential to use those that appropriately correspond to the various asset classes within your portfolio. Accordingly, when your portfolio includes multiple asset classes (for example, equities and fixed income), a meaningful comparison typically relies on a combination of weighted benchmarks that accurately reflects its composition.

Proxy Voting

As part of the discretionary management mandate, OAM may exercise, on your behalf, the voting rights attached to your securities, while ensuring that it acts in the overall best interests of your portfolio.

Although this responsibility is delegated to OAM, you retain the right at all times to receive the relevant documentation and to exercise these rights yourself should you so choose. In such cases, it is important to inform your client relationship manager, who will make the necessary arrangements.

Your Personal Information

All personal information we collect about you is governed by our Privacy Policy and our Code of Ethics and Conduct, to which all OAM employees must adhere and recommit on an annual basis. Your personal information may be disclosed where required for regulatory purposes, including for audits or investigations relating to applicable legislation and the laws to which we are subject.

OAM is committed to protecting the confidentiality, integrity, and security of your information in accordance with applicable legal requirements. Our complete Privacy Policy is available on our website at the following address: [Privacy Notice – Optimum Financial Group](#)

Risk Factors

All investments involve risks, including the potential loss of part or all of the capital invested. The level of risk varies depending on the type of investment, market conditions, and each investor's specific circumstances.

Under its discretionary management mandate, OAM has a duty to act in your best interest and to ensure that the investments selected for your account, and the risks associated with them, are appropriate in light of your financial situation, investment objectives, investment horizon, and risk tolerance.

Key Investment Risks:

- Market risk: The value of assets may fluctuate depending on market conditions, including changes in financial markets, interest rates, exchange rates, or the broader economic or political environment.
- Investment strategy risk: Your portfolio, whether invested directly in securities or through Optimum Funds, follows a specific investment strategy. There is a risk that this strategy may not produce the expected results or may be less effective under certain market conditions.
- Liquidity risk: Certain securities may be difficult to sell quickly or may only be sold at a price lower than their estimated value.
- Concentration risk: A portfolio composed of individual securities may be less diversified, thereby increasing the potential negative impact of the underperformance of a single security.

- Credit risk (for fixed-income securities): The issuer may be unable to make interest payments or repay the principal at maturity.
- Volatility risk: Individual securities may experience significant price fluctuations over short periods of time.

Risks Associated with Optimum Funds

- Liquidity risk: Certain Funds may invest in less liquid assets, which may limit their ability to meet redemption requests promptly or result in adverse valuation adjustments.
- Operational risk and custodian risk: The Funds are exposed to risks arising from potential failures of systems, internal processes, or external service providers, including the custodian. Although assets are held by an independent custodian and segregated, certain operational or financial risks related to the custodian, including the risk of default, remain.
- Regulatory and tax risk: Changes in applicable laws, regulations, or tax rules may adversely affect the structure, operation, or performance of the Funds.
- Certain securities eligible for alternative portfolios, such as those in the Optimum Income Private Market Fund, may have limited liquidity, particularly investments in private debt or real estate securities not listed on public markets. Although the proportion of illiquid securities is regulated (capped at 50% in the case of the Optimum Income Private Market Fund, for example), this threshold could be temporarily exceeded in the event of outflows, as liquid securities would then be sold first, thereby increasing the relative weighting of less liquid securities within the portfolio.

As a result, in the event of significant redemption volumes, these Funds may suspend redemptions in order to allow assets to be sold under reasonable market conditions or to attract new investors.

Furthermore, other alternative Funds, such as the Optimum Element ILS Fund, may also be subject to liquidity constraints, particularly due to notice periods required for subscription and redemption transactions.

Statements of Principles on Conflicts of Interest

OAM has taken reasonable steps to identify and control all material conflicts of interest that exist or may arise between itself, or individuals acting on its behalf, and its clients. The assessment, identification, control, and resolution of conflicts of interest form part of an ongoing oversight process, and OAM undertakes to promptly disclose to you the nature and scope of any future conflict of interest that a reasonable investor would expect to be informed of.

Conflicts of Interest Related to the Use of Optimum Funds

Under the discretionary management mandate, OAM exercises full decision-making authority over the management of your portfolio, without obtaining your prior approval for each transaction, and may therefore include in your portfolio certain investment funds that it manages.

In addition, certain Optimum Funds may invest in funds managed or distributed by OAM where such investments are deemed beneficial for the investing fund and consistent with its investment policy. In this context, OAM may act both as manager of the investing fund and as manager or distributor of the underlying funds.

This structure does not result in any duplication of management fees. Unlike certain compensation models, OAM does not receive any management fees or other compensation in respect of such funds when they are held in your portfolio.

OAM's compensation is derived exclusively from management fees charged directly on assets under management, in accordance with the terms set out in your management agreement, and is not influenced by the selection of specific funds.

However, the use of funds managed by OAM may give rise to a potential conflict of interest insofar as it could affect the independence of the assessment of the suitability or quality of the products offered. This conflict is mitigated through investment selection processes based on objective criteria, as well as ongoing oversight to ensure that each decision is made in your best interest and in accordance with your investor profile. In addition, OAM periodically reviews comparable products available on the market to assess whether Optimum Funds remain competitive relative to other available solutions.

Fee-Sharing Arrangements

In the course of its activities, OAM may enter into fee-sharing arrangements with business partners, such as financial planners, as well as legal or tax advisors. Under the terms of these arrangements, a portion of the fees received by OAM may be paid to the partner in consideration for services rendered or client referrals. These arrangements do not affect the total amount of fees charged to the client, which remains the same regardless of whether fees are shared with a partner.

In this regard, a fee-sharing disclosure outlining the terms of the relationship is provided to the client for review and acceptance. OAM ensures that such arrangements are entered into in accordance with its obligations regarding transparency, fairness, and the management of conflicts of interest, as applicable. Additional information regarding the nature of these arrangements may be provided upon request.

Fair Allocation Among Clients

OAM has adopted policies and procedures designed to ensure a fair and equitable allocation of investment opportunities among its clients, particularly where such opportunities are limited in availability or may give rise to a conflict of interest.

In such cases, investments are allocated on a pro rata basis according to assets, and at a uniform price for all clients participating in the same strategy. However, in the case of new issues, certain mandates may be too small to participate directly. In such instances, these investments are made through Optimum Funds, which are accessible to all clients.

Broker Selection

When executing transactions through brokers as part of its management mandates, OAM recognizes its obligation to seek the most competitive commission rates for its clients while giving preference to brokers that deliver the best execution of trades, unless otherwise directed by the client. The three primary criteria used in selecting a broker are: price, quality of execution, and the costs associated with execution.



Complaint Handling

We place great importance on the quality of the services we provide and on the fair treatment of our clients. Any dissatisfaction or complaint is handled in a diligent, fair, and confidential manner.

A **summary of our complaint handling procedures** is available on our website (Contact section). This summary outlines the main steps of the process, including the receipt of the complaint, its review, response timeframes, and the available recourse options.

If all or part of your concern has not been resolved through your usual contacts, you may submit your complaint in writing to the person responsible for handling complaints, either by email or by mail, using the contact details below:

Email: info@optimumgam.ca

Address: **425 De Maisonneuve Blvd. W., Suite 1620**
Montréal, Québec H3A 3G5, Canada



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