



Material Conflicts of Interest Disclosure

This conflict of interest disclosure specifically covers the material conflicts of interest that PEAK thinks you would expect to be informed of.

The purpose of this declaration is to help you assess our business practices, conflict management and overall performance so that you can make informed decisions about your relationship with PEAK.

What is a conflict of interest?

A conflict of interest is essentially any circumstance where:

- the interests of the various parties are inconsistent or divergent;
- a registered firm or its staff members could be influenced to put their interests ahead of those of clients; or
- monetary or other benefits offered to a registered firm or its staff members may compromise the trust of a reasonable client.

Whether conflicts of interest are real or potential, PEAK takes reasonable steps to identify and manage them. PEAK ensures that the interests of clients take precedence when determining the appropriateness of any decision affecting them.

Below you will find the main conflicts of interest that may arise in the course of our activities. This list is not exhaustive.

Personal transactions

PEAK staff members with access to non-public information regarding investment decisions involving their clients' accounts are in a potential conflict of interest because they may benefit from opportunities at the expense of clients. In order to act in the best interests of clients, client orders take precedence in terms of sequence and price over any personal transactions of employees, officers and directors. To ensure this, PEAK has policies and procedures that set out standards of business conduct to prevent potential conflicts of interest, misappropriation of a business opportunity, or appearances of irregularity. PEAK has also established measures to monitor the personal transactions of employees, officers and directors who have access to information regarding clients' portfolios.

If a trade of a PEAK staff member contravenes the rules set out above, the Compliance Department may, in addition to taking the appropriate disciplinary measures, cancel the employee's trade at the expense of the account holder or prohibit any trading in the account for a period of 30 days.

Gifts and entertainment

PEAK has established written standards for the offering and acceptance of gifts and entertainment by persons or entities with which PEAK has an existing or potential business relationship, and it regularly monitors employees' compliance with the standards. The objective is to manage situations where PEAK staff members may be incentivized to do business with or to give preferential treatment to clients in return for excessive or extravagant entertainment or gifts.

Equitable allocation of investment opportunities to clients

PEAK has adopted transactional policies designed to ensure a fair allocation of securities to client accounts. In allocating investment opportunities to clients, PEAK will seek to ensure that all clients are treated fairly, taking into account their investment policies and the funds available for settlement of the proposed transaction. All securities transactions, including new issues, are allocated to the client accounts for which the transaction orders were initiated. Transactions are verified to ensure that transactions made on the same day for multiple clients are allocated equitably.

Fee structure and billing

Each client is responsible for reviewing this information and the statements transmitted by PEAK, and for raising any errors appearing therein. To the extent that an error must be corrected, there is a risk of a conflict of interest if such correction may have a negative effect on PEAK's management fee income and/or require PEAK to incur costs to correct such errors. At the same time, PEAK takes reasonable measures to identify and correct price and account errors, including through its policies and procedures and the supervision in place to that effect.

In addition, controls are in place to ensure that fees charged to clients are aligned with services rendered, depending on the applicable compensation method.

Outside business activities

When employees are involved in certain activities, interests or associations outside the firm, a conflict of interest may arise between the employees' personal interests and those of PEAK and its clients. PEAK has developed policies and procedures that govern employees' outside business activities and to which all employees are subject. In particular, it defines a list of outside activities that may be incompatible with employees' activities and are therefore prohibited, as well as activities that may interfere with an employee's activities or give rise to a conflict of interest. PEAK obliges any employee to disclose his or her intention of engaging in an outside activity. PEAK has also put in place a notification and preapproval process to limit any outside business activity that could interfere with or give the impression of interfering with an employee's ability to act in the best interests of PEAK and its clients, or to work for them.



Sales practices and compensation

PEAK does not encourage any of its representatives to recommend a particular security over another and does not set sales targets. Compensation is commission-based, rather than being based on sales volume, products or services.

It is strictly forbidden for representatives to recommend unsound transactions to clients with the sole purpose of generating additional commissions. The representative must carry out an objective suitability analysis to ensure that recommendations and transactions are appropriate and that products and services involving higher fees than others are not proposed to generate additional commissions. Monitoring is in place to ensure that the suitability assessment and recommendations are compliant.

Borrowing to invest (leveraging)

Any recommendation that a client use leverage to invest is supervised to ensure that such a mechanism is not used to increase unduly a representative's assets under management or commissions.

Suitability criteria specific to leveraging have been established and must be used to assess the client's file. If it appears that a criterion is incompatible, a check will be carried out and documented in order to demonstrate that the gap is acceptable.

Information about the strategy is also disclosed so that the client understands the related risks and obligations. In addition, there is ongoing monitoring of leveraged loans. The representative must ensure that the strategy is always suitable for the client, especially in the event of a material change in the client's situation, a bear market or a change in the terms of the loan.

Personal, commercial or financial relationships with a client

PEAK's policies and procedures state that representatives must always act in the best interests of their clients.

Accordingly, PEAK's employees and approved persons are prohibited from engaging in personal financial transactions with clients, including borrowing from clients and obtaining surety, lending to clients and providing surety, and acting as a proxyholder, trustee or executor.

A representative may have total or partial control or authority over a client's financial affairs, if the client is considered a person related to the representative under the Income Tax Act (Canada). If this is the case, the representative must send the Compliance Department a written request concerning the relationship between the representative and the client and obtain approval for full or partial control or authority over the financial affairs of the related person. If authorization is issued, closer monitoring of the account is put in place. The Compliance Department may refuse to give its authorization.

Proxy voting

For managed accounts, proxy voting is carried out and must be done in the best interest of the client. In the case of non-managed accounts, the vote is confirmed with the client. In addition, because PEAK is independent, it does not have any affiliation with issuers.

Referral agreements

PEAK may from time to time enter into agreements with entities that refer clients for remuneration. To ensure that PEAK deals fairly, honestly and in good faith with such clients, PEAK must have a written agreement in place with each of these entities before paying fees under a referral agreement. A written disclosure of the recommendation, containing all information required by the regulatory authorities, will be provided to the client before the party receiving the recommendation opens an account for the client or provides services to the client.