

Conflict of Interest Disclosure Statement

1. Introduction

Lester Asset Management (“LAM”) is registered with the Autorité des marchés financiers (Québec), the Ontario Securities Commission and the Manitoba Securities Commission as portfolio manager, as investment fund manager and as exempt market dealer, with the Alberta Securities Commission as portfolio manager and with the British Columbia Securities Commission as portfolio manager and as exempt market dealer.

LAM is a company duly incorporated under the Canada Business Corporations Act, having its registered office at 1800 McGill College, Suite 2102, Montreal, Quebec, H3A 3J6.

LAM is owned and managed by two seasoned financial industry veterans: J. Anthony Boeckh, Chairman and Stephen Takacsy, President & CEO, Chief Investment Officer and Portfolio Manager.

Incorporated in 1987, Lester Asset Management is an independent discretionary portfolio management firm serving private clients, family offices, charitable foundations and institutional investors, while exercising a fiduciary duty to always act in its clients’ best interest. The Firm is committed to preserving and growing the financial wealth of its clients through responsible and ethical investing while also providing a high level of personalized service to meet its clients’ evolving needs. Total asset under management are approximately \$380 million CDN.

The purpose of this Conflicts of Interest Disclosure Statement is to provide LAM clients with a description of the conflicts of interest LAM may encounter as a registrant firm with roles as portfolio manager, investment fund manager and exempt market dealer.

2. Relationships with Related or Connected Parties

“Related issuer” means, in respect of LAM, an issuer of securities over which LAM exercises a controlling influence (for example, through the ownership of, or direction or control over voting securities) or an issuer of securities that exercises a controlling influence over LAM. In this context, the term “influence” means having the power, directly or indirectly, to exercise a controlling influence over the management and policies of the company, whether alone or in combination with one or more other persons or companies. In some jurisdictions, some connected issuers may be considered related issuers.

“Connected issuer” means, in respect of LAM an issuer that has, or any related issuer of which has, any indebtedness to, or other relationship with (i) LAM (ii) a related issuer of LAM, or (iii) a director, officer or partner of LAM or (iv) a director, officer or partner of a related issuer of LAM that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities. Accordingly, an issuer is “connected” to LAM if, due to indebtedness or other

relationships, a prospective purchaser of securities of the connected issuer might question the independence of LAM from the issuer.

The list of related or connected issuer(s) of LAM under Canadian securities legislation is as follows:

The LAM Canadian Equity Fund

The LAM Canadian Equity Fund (the “Equity Fund” and formerly the “Lester Canadian Equity Fund”) is an open-ended investment trust created pursuant to a master declaration of trust under the laws of the Province of Ontario dated January 3, 2012, as amended, restated or supplemented from time to time (the “Trust Agreement”).

The LAM Canadian Fixed Income Fund

The LAM Canadian Fixed Income Fund (the “Fixed Income Fund”) is an open-ended investment trust created pursuant to the Amended and Restated Trust Agreement, dated January 1, 2021.

The Equity Fund and the Fixed Income Fund are collectively hereinafter referred to as the “Funds”.

LAM provides services as both an investment fund manager and portfolio manager for its Funds.

3. Referral Arrangements with Third Parties

LAM has in place referral arrangements with third parties who are not connected or related. Referral arrangements are designed to compensate the referrer for having facilitated client introductions to LAM.

Clients are provided with a copy of the “Referral Notice”. This form addresses the following matters but is not limited to; name of each party to the referral arrangement, registration status, purpose and material terms of the referral arrangement, conflicts of interest, referral fees and client acknowledgement.

LAM pays the Referrer, out of its investment management fees which are charged to client accounts on a monthly or quarterly basis. Referral Fees shall continue to be paid to the Referrer for as long as the client(s) directed to LAM by the Referrer remains with LAM and shall cease at such time as the client(s) ceases to do business with LAM or should the client(s) revoke their acceptance of the fee sharing agreement.

LAM conducts all the activities arising from the referral, which require registration with the various provincial regulatory authorities in Canada.

4. Principal Transactions and Cross Trading Securities

Under Canadian regulations, LAM is subject to certain restrictions from engaging in principal transaction with or on behalf of its clients and from cross trading securities between client accounts. Without exemptive relief from regulatory authorities, LAM

will not knowingly cause any client investment portfolio managed by it (including the Funds), to purchase or sell securities from or to (i) LAM, (ii) any directors, officers or employees, or (iii) any investment funds managed by them (including the Funds sponsored by LAM).

5. Best Execution and Soft Dollars

One element of LAM's fiduciary duty is the obligation to obtain best execution for clients' securities transactions. LAM will take all reasonable steps to achieve best execution and obtain, on a consistent basis, the best possible result for the executions. This does not always mean the lowest price for a purchase or the highest price for a sale, but rather takes into consideration a range of different factors.

When placing orders on behalf of clients' accounts and its Funds, LAM's policy on best execution is to exercise the same standards and operate the same processes across all the different markets and financial instruments in which it trades. However, the diversity in those markets and instruments means that different factors will have to be considered when LAM assesses the nature of the execution policy in the context of different financial instruments and different markets.

Where a client provides specific instructions as to execution, the order will be executed in accordance with those instructions. This may prevent LAM from taking the steps designed and implemented in the LAM policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions.

LAM does not currently engage in any soft-dollar arrangements in connection with client transactions. LAM does not use soft dollars.

6. Marketing, Promotion and Sale of LAM Funds

LAM's services as portfolio manager and investment fund manager are integrated and generally not separable from each other when it acts as dealer on the trade in the Funds. In such circumstances, LAM does not receive any separate compensation for acting as a dealer on the trade. LAM's interest is in the fees paid to it by the client of the Funds for its management and advisory services. LAM may from time to time solicit orders from its clients for trades in the Funds. LAM does not receive any commission or similar selling compensation for acting as a dealer on such trades for its Funds.

7. Fair Allocation

Fair treatment of investors is a fundamental policy of LAM. LAM fully acknowledges its fiduciary duty to treat all its clients with fairness in the allocation of investment opportunities. LAM ensures that where investment opportunities are consistent with the investment objectives and constraints of more than one client, and where those

opportunities are considered at or about the same time, those opportunities are allocated equitably amongst the clients of LAM.

LAM's policy is to ensure fair treatment of all clients in situations where two or more client accounts participate simultaneously in a buy or sell program involving the same security or in an IPO. This is accomplished by allocating securities to the accounts involved on a pro rata basis, at the time that the order entry is made and at the average execution price. When an order is partially filled, it is allocated across the accounts involved as per the original pro rata allocation. The method used to allocate commissions is the same as described above.

LAM recognizes that a single inflexible rule will not always result in a fair and reasonable outcome, and it may therefore be desirable in certain situations to consider alternatives. However, the principle involved will always remain consistent – to be fair and reasonable to all clients based on their objectives and policies and to avoid favouritism or discrimination amongst clients.

8. Management Fees and Costs Associated with Client Accounts

In return for the portfolio management services rendered to you by LAM, clients are charged management fees that are calculated according to the Discretionary Investment Management Agreement. These fees are payable monthly in arrears, based on a percentage of the total value of the assets in each of the client's accounts managed by LAM ("Asset Under Management").

As it may be permitted in the Discretionary Investment Management Agreement, some clients may hold units of the Funds. Each of the Equity Fund and the Fixed Income Fund is responsible to pay for brokerage commissions, custodial fees, and management fees.

Each of the Equity Fund and the Fixed Income Fund is also responsible for operating costs, costs and expenses that are necessary to continue and carry on their business, up to a maximum of 0.1% of their respective Net Asset Value, beyond which the Manager is responsible for such other operating costs and expenses until it notifies in writing the respective Unitholders then registered of the date on which the Manager will cease to assume such costs and expenses.

Clients having accounts that hold individual securities, will assume the brokerage commissions and custodial fees, applicable to these individual securities transactions in such accounts.

The fees and expenses indicated above are subject to applicable federal and provincial taxes.

9. Pricing and Account Errors

LAM has adopted a policy and procedure for the management of errors. Material trading errors are corrected in a manner deemed appropriate by LAM depending on

the specific facts and circumstances of the error while respecting LAM's fiduciary duty to act in the best interest of its clients.

10. Proxy Voting and Other Corporate Actions

LAM has a fiduciary duty to act in the best interests of its clients.

LAM's Proxy Voting Policy aims at ensuring that all votes in respect to securities held by clients are exercised in accordance with the best interests of its clients. LAM is required to follow the guidelines set forth in the Proxy Voting Policy.

11. Personal Trading, Gifts and Gratuities

Personal Trading:

LAM employees are required to put the interests of clients ahead of their own personal interests and must comply with the Personal Trading Policy. The purpose of monitoring and restricting employee personal trading is to ensure that employees do not take advantage of their knowledge of confidential client trading information or their position with LAM to unfairly profit through their personal trading activities. Directors, officers, portfolio managers and employees owe a fiduciary duty to clients and in this position of trust, they must always place the best interests of the client ahead of their own personal interests and avoid any actual or perceived conflict of interest.

LAM's Personal Trading Policy consists of a strict set of rules which includes, but is not limited to, trade and reporting restrictions, prohibited activities, restricted securities, pre-approval, and supervision.

Gifts and Gratuities:

No employee is permitted to accept a referral fee or other compensation from any individual or organization. In order to avoid any potential conflict of interest, it is strictly forbidden for employees to accept large gifts and/or gratitude from a client or service provider. When offered a gift or benefit having a value of more than \$100.00, an employee must refer to the CCO, who will assess the situation and decide if this gift or benefit should be returned or refused or if it can be accepted. Cash or gifts readily convertible into cash (gift cards etc.) must be refused. Employees should refrain from excessive socialization with service providers lest their independence be compromised.

12. Outside Business Activities

All employees must obtain the approval of the CCO before accepting a corporate directorship or engaging in an outside business activity ("OBA"). All such other business activity or corporate directorship shall be disclosed to the clients, if there is a potential of conflict of interest. LAM maintains a log of OBAs and including outside directorships. Employees must update their OBAs and outside

directorships on an annual basis. LAM's CCO will monitor the OBAs and outside directorships.

13. Investment Performance Benchmarks

Comparing a client's portfolio performance to that of an appropriate benchmark is a useful exercise for monitoring purposes. Benchmark comparisons can help clients determine if an investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns a portfolio can generate over the long term.

Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indices since the most common form of investment benchmark is an index such as a stock or bond index. A benchmark must replicate the security or portfolio being monitored as closely as possible for the comparison to be meaningful. Examples of the benchmarks would include the S&P TSX Composite for Canadian stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighted according to the portfolio's asset mix.

For more information about comparing a portfolio's return to a benchmark, please don't hesitate to contact one of LAM's portfolio managers.

14. Complaints

LAM will document and, in a manner that a reasonable investor would consider fair and effective, respond to each complaint made to LAM about any product or service offered by LAM or a representative of LAM.

LAM's clients may contact and use the dispute resolution or mediation services which are provided to them. Clients are primarily directed to contact the AMF at www.lautorite.qc.ca or by calling 1-877-525-0337 or to contact the OBSI at OBSI.ca or by calling 1-888-451-4519.

This document is kept current and is posted on our external website at <http://www.lesterasset.com> or you may contact us for the most recent version.

Dated: March 2021