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Client Disclosure Brochure

KeatsConnelly ULC

KeatsConnelly Offices

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Advisory Business

Introduction- Who We Are

KeatsConnelly ULC (KeatsConnelly) is the Canadian subsidiary of Keats, Connelly and Associates, LLC which provides investment portfolio management services through an Assets Under Management (AUM) fee model to High Net Worth individuals in Canada. Neither commissions nor referral fees will be paid for other services recommended, nor will KeatsConnelly ULC compensate other firms or persons who refer clients to our firm. The firm will manage clients' assets according to the clients' individual goals and objectives, investment needs and objectives, overall financial condition, risk tolerance, and other unique circumstances, e.g. US citizens living in Canada or Canadian Citizens living in the US with assets in Canada. KeatsConnelly primarily recommends the use of no-load mutual funds and exchange traded funds ("ETFs"). KeatsConnelly is neither a law firm nor a public accounting firm. We do not give legal advice. Any opinions we give as part of our review and analysis does not constitute legal advice. You will need to contact an attorney for such advice.

KeatsConnelly Mission Statement- Why We Exist

Our mission is to help individuals from the U.S. and Canada to determine and achieve their financial and life planning goals through a comprehensive investment management and/or financial planning process. Our role is that of an independent and trusted financial counselor, providing personalized service with uncompromising integrity.

Our Vision Statement- What We Strive For

Our vision is to enrich the lives of our clients and to have a positive impact on our community, profession, and workplace.

Disclosure Document

KeatsConnelly ULC is a registered Portfolio Manager with the Alberta, British Columbia, Saskatchewan and Ontario Securities Commissions. In occurrence with the National Instrument 31-103, client acknowledges that KeatsConnelly has delivered and Client acknowledges the receiving and having read the information providing disclosures in the form of the Client Disclosure Brochure for Client regarding the business practices, cost of services schedules, conflicts of interests, and other disclosures of KeatsConnelly. The Client Disclosure Brochure will be offered to the Client on an annual basis.

Code of Conduct and Ethics

KeatsConnelly has adopted a Code of Conduct and Ethics expressing the firm's commitment to ethical conduct. The KeatsConnelly Code of Conduct and Ethics establishes high standards of ethical conduct expected of advisory personnel and compliance with federal and state securities laws. The KeatsConnelly Code of Ethics stresses that no person employed by KeatsConnelly shall prefer his/her own interests to those of advisory clients and prohibits the misuse of material non-public information. To supervise compliance with its Code of Conduct and Ethics, KeatsConnelly requires that all employees provide securities holdings reports and quarterly transaction reports of all reportable transactions to the firm's Chief Compliance Officer. The KeatsConnelly Code of Ethics also provides for sanctions when appropriate.

Clients may obtain a copy of the firm's Code of Ethics upon written request by contacting KeatsConnelly.

- To maintain the highest standard of personal and professional integrity, honesty, and fortitude in all public activities so as to inspire and promote public confidence and trust.
- To ensure that undue personal gain is not made from the performance of official duties.
- To respect individual differences of race, sex, national origin, political affiliation, social status and personal characteristics, realizing that society is enriched and strengthened by its diversity.
- To be thorough and objective in assembling and presenting information and facts.
- To strive continuously to grow in knowledge and skill, be alert and receptive to the ideas and suggestions of colleagues, and contribute to the advancement of our profession.
- To assume responsibility for sharing knowledge with and contributing to the professional growth of our colleagues.
- To treat all our clients and employees with integrity, respect and concern for their personal and professional lives, so that they are proud to be associated with KeatsConnelly.

Investment Management Services

Investment Management is a dynamic process that requires creativity, thoughtfulness, regular monitoring and periodic reevaluation.

Cost of Services and Compensation

Investment Management

The cost of services is based on a percentage of assets under management to KeatsConnelly. The cost of services shall be paid quarterly, in arrears, and shall be based on value of the account at the end of the quarter and deducted from the client's investment management account. Corporate cash management accounts may be billed at rates lower than above, at the discretion of KeatsConnelly.

Clients are informed that finance charges of 1.5% per month will accrue on payable balances more than thirty (30) days in arrears. KeatsConnelly reserves the right to unilaterally change or waive finance charges depending on the general level of interest rates or a given client's circumstances. If a client account becomes more than sixty (60) days past due, KeatsConnelly reserves the right to cease all work on client's behalf until the account is paid in full (including finance charges), or other arrangements satisfactory to KeatsConnelly are made.

Upon the cessation of work, the client assumes full responsibility for any adverse consequences of such, including interest and penalties to tax authorities.

Investment Management Services Fee Schedule

The per annum fee schedule for Investment Management Services is as follows:

- 1.0% on assets up to C\$500,000
- 0.85% on assets more than C\$500,000, up to C\$2,000,000
- 0.70% on assets more than C\$2,000,000, up to C\$5,000,000
- 0.60% on assets more than C\$5,000,000, up to C\$10,000,000
- Over C\$10,000,000 is negotiable

Fee Calculation

The fee charged is calculated as described above and is not charged based on a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Negotiability of Cost of Services

In certain limited circumstances, KeatsConnelly cost of services may be negotiable.

Termination of Advisory Relationship

A client agreement may be terminated upon thirty (30) days' notice at any time, for any reason, by either party giving written notice to the other.

KeatsConnelly will refund any prepaid and unearned cost of services within sixty (60) days of the date of termination. A prorated (30) days fee will be billed to provide an orderly termination of the relationship after notice of termination of the relationship.

Notices are to be provided to each party at their last known address.

Mutual Fund Fees and Expenses

All cost of services paid to KeatsConnelly for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These costs of services and expenses are described in each fund's or ETF's prospectus. These costs of services will generally include a management fee, other fund expenses, and a possible distribution fee for mutual funds. A client could invest in some, but not all, of the mutual funds or ETFs directly, without the services of KeatsConnelly.

In that case, the client would not receive the services provided by KeatsConnelly that are designed, among other things, to assist the client in determining which mutual fund, funds or ETFs are most appropriate to each client's financial condition and objectives.

Other Fees and Expenses

Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any commissions, transaction charges or mark-up/mark-downs imposed by a broker-dealer with which KeatsConnelly effects transactions for a client's account(s).

Performance-Based Fees and Side-By-Side Management

KeatsConnelly, as a matter of firm policy and practice, does not charge any performance-based fees for its investment counseling services.

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions and mutual funds and/or hedge funds.

In such circumstances, potential conflicts of interest may arise by and between the clients and the mutual and hedge funds, e.g., performance fee arrangements. We do not have these relationships, so we do not have side-by-side management potential or actual conflicts of interests.

KeatsConnelly has not in the past, and currently does not, manage any client relationships for mutual funds or hedge funds or charge any performance fees.

Types of Clients

KeatsConnelly offers and provides investment advisory services to individuals, typically high net worth individuals, family offices, corporations and other business entities seeking the personalized investment advisory services KeatsConnelly offers.

Methods of Analysis, Investment Strategies & Risk of Loss

Asset Allocation

The purpose of the asset allocation is to diversify funds into asset classes (stocks, bonds, and liquid reserves) according to the client's risk profile and to hedge against uncertainty. Implicit in this approach is that the total portfolio is more important than the underlying securities.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected (rebalanced), will no longer be appropriate for the client's goals.

This risk can be, and is, minimized by periodic rebalancing the portfolio back to the agreed upon asset allocation.

Methods of Analysis

KeatsConnelly selects and reviews funds for its portfolios using various quantitative and qualitative analyses which are based on several inputs, such as, but not limited to, the following: a comparison of costs of services, returns, and universe coverage of funds; interviews with fund company representatives and portfolio managers; review of published research, fund reviews, and news; review of regulatory disclosures; investment committee discussions; and comparison of investment fund philosophy to the firm's investment beliefs.

As part of our methods of analysis, we may use some or all of the following:

- **Fundamental Analysis:**

Fundamental analysis involves the selection, evaluation, and interpretation of financial data and other pertinent information to assist in evaluating the operating performance and financial condition of a company or an industry.

The operating performance of a company is a measure of how well a company has used its resources – its assets, both tangible and intangible – to produce a return on its investment. The financial condition of a company is a measure of its ability to satisfy its obligations, such as the payment of interest in a timely manner.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

■ **Qualitative Analysis:**

As a part of our fundamental analysis, we subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

■ **Quantitative Analysis:**

We may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Risks for All Forms of Analysis

The markets are subject to the risks of the unforeseen, including political events, terrorist attacks, fraud, bubbles and panics—more generally, the uncertainty produced by the fact that the future is unknown. In addition, markets are unforgiving and can be perverse and irrational over the short or long term.

Absolute loss can also occur when a client panics and sells out of fear when the market experiences a significant downward movement, only waiting to reinvest when the market recovers. When experiencing market volatility, a client might not have the emotional strength or discipline to ride through the inherent volatility of the market.

Our securities analysis methods for the securities we recommend, purchase and sell are assisted by, but do not rely entirely upon, the assumption that the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. Factored into our decision-making process is the risk of fraud or that the reporting data may be incorrect, and thus there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

We also use the following strategies in managing client portfolios:

- **Long-term Purchases:**

We purchase securities with the idea of holding them in a client's portfolio for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this asset class or security.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term volatility that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

- **Short-term Purchases:**

We rarely, but may, purchase securities with the idea of selling them within a relatively short time (defined as less than one year).

A risk in a short-term purchase strategy is that, should the anticipated price increase not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

Some investments may impose a short-term redemption fee if not held for the required minimum of time.

- **Margin Transactions:**

We will not recommend or utilize margin as part of our investment strategies, except at the client's unsolicited request.

- **Option Writing:**

As a matter of policy and practice, we will not use options or option strategies as an investment strategy for our clients. KeatsConnelly may use options to protect concentrated stock positions for short periods of time. This use of options is more like an insurance policy than a way of generating returns.

The risk of writing options on concentrated stock positions is that the stock price will remain steady or increase, making the option worthless.

For All Strategies

Investments in securities are not guaranteed, and clients may lose money on their investments.

We make significant efforts and inquiries to help us understand our clients' tolerance for risk and any changes in their financial objectives and circumstances. We also request that clients notify us of any such changes promptly.

Disciplinary Information

Our firm, its principals and associated persons have no disciplinary, regulatory or legal events that require disclosure.

Other Financial Industry Activities and Affiliations

Keats, Connelly and Associates, LLC

Keats, Connelly and Associates, LLC ("KeatsConnelly, LLC") is a subsidiary of Keats, Connelly and Associates, Inc., which is in turn owned by Robert F. Keats, and Dale A. Walters.

KeatsConnelly, LLC was formed and registered in January 2009 as a new advisory firm and to transition Keats, Connelly and Associates, Inc.'s advisory business to KeatsConnelly. Keats, Connelly and Associates, Inc. continues to exist as the parent company of KeatsConnelly, LLC, as the majority member.

KeatsConnelly, LLC is the owner of KeatsConnelly ULC and therefore all profits from KeatsConnelly ULC will flow to the partners of KeatsConnelly, LLC.

Because Keats, Connelly and Associates, Inc. is the majority owner of KeatsConnelly, LLC, most of the profits earned will accrue to the principals of Keats, Connelly and Associates, Inc.

Cross Border Tax & Accounting, LLC

Cross Border Tax & Accounting, LLC ("CBTA") is wholly owned by KeatsConnelly, LLC. CBTA only provides tax planning and tax preparation services for U.S. and Canadian residents or citizens.

KeatsConnelly, LLC and KeatsConnelly ULC may refer prospective clients to CBTA. Likewise, CBTA may refer prospective clients to KeatsConnelly, LLC and KeatsConnelly ULC. No prospective client is obligated to retain KeatsConnelly, LLC, KeatsConnelly ULC or CBTA and no referral fees are paid by either firm to the other for any client referrals.

Because KeatsConnelly, LLC owns CBTA, profits earned by CBTA will accrue to the benefit of KeatsConnelly, LLC and thus create a conflict of interest. However, clients of KeatsConnelly, LLC will be able to make separate determinations as to whether to use CBTA's tax planning and preparation services and may choose to use another service provider of their choice.

Additional Compensation

KeatsConnelly is a "fee only" financial services firm. We do not accept remuneration, in any form, other than the Investment Management cost of services we charge.

The officers and principals of KeatsConnelly, and as owners of its affiliated companies, devote substantially all their time and efforts to KeatsConnelly and the professional services provided by KeatsConnelly to its clients. These individuals do receive separate and distinct compensation in their capacities as officers, members and owners of the KeatsConnelly affiliated firms. The receipt of this additional compensation and their responsibilities to the KeatsConnelly affiliated firms does present a potential conflict of interest to the extent the affiliated firms' services may be recommended to KeatsConnelly clients. However, clients are under no obligation to engage the services of KeatsConnelly, or any of the affiliated firms, and are free to select any professional investment firm of their choice.

Clients should be aware that the receipt of any additional compensation by KeatsConnelly and its management persons creates a conflict of interest that may impair the objectivity of KeatsConnelly and these individuals when making advisory recommendations. KeatsConnelly endeavors to always put the interests of its clients first, as part of its fiduciary duty as a Portfolio Manager and takes the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for KeatsConnelly and management persons to earn compensation from investment management clients in addition to the investment management cost of services;
- We collect, maintain and document accurate and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our management conducts regular reviews of each client portfolio to verify that all recommendations made to a client are appropriate for the client's needs and circumstances;
- We require that employees seek prior approval of any outside employment activity so that KeatsConnelly may ensure that any conflicts of interests in such activities are disclosed and properly addressed;

- We periodically monitor any outside employment activities to verify that any conflicts of interest continue to be properly addressed; and
- We educate our employees about the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Participation in Client Transactions and Personal Trading

KeatsConnelly or individuals associated with or employed by KeatsConnelly ("affiliates") may buy or sell securities identical to or different than those recommended to clients. KeatsConnelly or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

KeatsConnelly has also established the following procedures to ensure its fiduciary responsibilities:

- A member, officer or employee of KeatsConnelly shall not buy or sell securities for his/her personal portfolio(s) where his/her decision is substantially derived, in whole or in part, because of his or her employment or the employment of any clients unless the information is also available to the investing public on reasonable inquiry. No person of KeatsConnelly shall prefer his or her own interest to that of any advisory client.
- KeatsConnelly maintains records of securities holdings and transactions for itself, and anyone associated with the KeatsConnelly advisory practice. The compliance officer reviews these holdings and transactions on a regular basis.
- KeatsConnelly emphasizes the unrestricted right of the client to select and choose any broker or dealer, custodian, accounting firm or other professionals a client wishes.
- KeatsConnelly requires that all affiliated persons or employees act in accordance with all applicable provincial regulations governing Portfolio Manager firms.
- Any associated persons or employees not in observance of the above may be subject to termination.

Brokerage Practices

KeatsConnelly typically has the discretionary authority to determine the broker-dealers to be used and the commission rates charged by the broker-dealers to be paid for advisory client transactions.

Selection of Broker-Dealers

The factors involved in recommending and selecting brokerage relationships for effecting client brokerage transactions and custody services include, but are not limited to: relative trading costs, quality of executions, responsiveness, services and amenities available to brokerage clients, availability and reliability of client data transfer and reporting from the broker to KeatsConnelly, quality of services to existing KeatsConnelly clients, and quality of services to KeatsConnelly professional and administrative staff.

KeatsConnelly generally utilizes RBC Investors Services or Fidelity Canada for clients in need of brokerage and custodial services, but may also use other custodians from time to time.

Direction of Brokerage

In addition, some clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker and they will instruct KeatsConnelly to execute all transactions through that broker. Note that not all brokers will allow us to execute transactions through them. If a client directs KeatsConnelly to use a particular broker or dealer, it should be understood that under those circumstances, KeatsConnelly will not have authority to negotiate commissions, obtain volume discounts, monitor holdings in the KeatsConnelly portfolio accounting system, and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

In addition, brokers or dealers that KeatsConnelly recommends or selects to execute transactions may from time to time refer clients to the Firm.

Our Firm will not make formal or informal commitments to any broker or dealer to compensate that broker or dealer through brokerage transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and the interest KeatsConnelly has in receiving future referrals.

Brokerage & Custody Expenses

For accounts where clients' funds are maintained in custody at RBC Investors Services and Fidelity Canada, custody fees will be paid by the clients. RBC Investors Services and Fidelity Canada will receive compensation from KeatsConnelly clients in the form of commissions or other transaction-related compensation on securities trades executed for client accounts.

RBC Investor Service and Fidelity Canada will also receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through other broker-dealers.

KeatsConnelly acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody may be executed through a different broker-dealer than trades for other clients of KeatsConnelly.

Research and Soft Dollar Practices

KeatsConnelly, as a matter of firm policy and practice, does not and has not directed any client trades for any research, research-related products or services, or other direct or indirect compensation from brokers under any formal or informal soft dollar arrangements.

Aggregation of Orders

KeatsConnelly may manage advisory accounts on a non-discretionary basis, which require prior client approval before placing trades.

For those clients, transactions may not be able to be aggregated with other client trades and may also be placed after other clients' or associated person's trades because of delays in obtaining client approvals.

In view of this, non-discretionary client trades will be placed later and may not receive best execution and may receive higher or lower execution prices for trades than other clients.

Allocation of Investment Opportunities

As a matter of policy, KeatsConnelly seeks to allocate investment opportunities and transactions on a fair and equitable basis for all clients over time and to not favor certain clients over others.

In the unlikely event that limited investment opportunities or transactions would need to be allocated among advisory clients, our firm would allocate the investments or transactions fairly, equitably, and typically on a pro-rata basis. As a matter of investment policy and practice, KeatsConnelly does not seek or participate in initial public offerings.

Review of Accounts

Reviews of Client Portfolios

Clients receiving Investment Management Services have their portfolio holdings reviewed on an ongoing and regular basis, with formal reviews conducted at least quarterly.

Re-balancing of asset class target percentages also may occur each fiscal quarter. Accounts are also reviewed from an income tax standpoint at least annually. In addition to quarterly reviews, changes in client circumstances or substantial changes in the external investment environment will occasion induce additional reviews at the option of the client.

Planners are primarily responsible for advising on and monitoring the client's overall financial situation. The KeatsConnelly Investment Committee is responsible for formulating investment guidelines for client portfolios and selecting investment vehicles for client accounts, while assisting in monitoring the external investment environment and monitoring client portfolios. Dale A. Walters and John Rice supervise the investment professionals. The KeatsConnelly Investment Committee typically meets monthly and is currently comprised of the following voting members: Robert Keats, John Rice, Bryant Andrus, Dale Walters and Brad Reichert. The officers of the Committee are John Rice, Chair, Bryant Andrus, Vice Chair and Kristin Martin, Secretary. The firm currently manages the wealth of approximately 100 client relationships throughout Canada and the US.

The KeatsConnelly formal in-house review procedure for portfolio reviews combines firm investment guidelines with client goals and circumstances, as well as annual reviews for Investment Policy Statements.

Client Reporting

KeatsConnelly provides clients written reports as to the status of each client's investment account on a quarterly basis. Such reports include a description of all investments held in the client's account and the market value of such investments as of the date of the report, summaries of deposits, withdrawals, realized and unrealized capital gains, investment income and dividends, and cost of services for investment management paid. The report also provides time-weighted rates of return according to the Bank Administration Institute ("BAI") method for the portfolio. A calculation of cost of services is also sent along with the report. Generally, KeatsConnelly meets with clients at least annually and reviews a client's account, performance and Investment Policy Statement, and any changes in the financial goals of the client. If necessary, KeatsConnelly will revise the financial strategy of a client and obtain the approval of the client before implementation of such changes.

Client Referrals

KeatsConnelly has a firm practice and policy not to compensate any independent or third party individuals or entities for introducing any clients to KeatsConnelly for advisory services.

KeatsConnelly may compensate KeatsConnelly officers or employees through increased compensation for introducing new clients to the firm. Any such compensation paid to a such an individual does not increase the cost of services for our clients.

Custody

KeatsConnelly is deemed to have “constructive custody” under relevant regulatory guidelines because of our Firm’s authority from certain clients for KeatsConnelly to directly debit client cost of services from their custodian accounts consistent with industry practices and regulatory guidelines. Clients will receive quarterly reports from KeatsConnelly and should carefully review each report to ensure that all account transactions, holdings and values are correct and current.

We urge clients to compare our firm’s reports with the statements received directly from their independent brokerage or bank qualified custodian.

Investment Discretion

For discretionary clients, KeatsConnelly requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Voting Client Securities

Proxy Voting

KeatsConnelly maintains a written Proxy Policy & Procedures, which reflects the firm's duty to act as a fiduciary to vote proxies in the best interests of our clients.

Certain clients have expressly retained proxy voting authority and in such instances, KeatsConnelly has no proxy voting responsibility and may not take any action regarding those clients' proxies.

In the event of any actual or potential conflicts of interests in the voting of any client proxy(ies), KeatsConnelly will make appropriate disclosures to clients and either request that the client vote the proxy(ies), abstain from voting or vote the client proxies, depending on the circumstances. KeatsConnelly maintains relevant and appropriate proxy records as part of the firm's Proxy Policy & Procedures. Our Proxy Policy & Procedures and information about the voting of a client's proxies, where KeatsConnelly has proxy voting responsibility, are available to a client upon written request.

PRIVACY NOTICE

Keats, Connelly and Associates, LLC and its wholly-owned subsidiaries KeatsConnelly ULC (each referred to as (“KeatsConnelly”), and Cross Border Tax & Accounting, LLC (“CBTA”), strive to maintain your trust and confidence.

We also understand that clients value their privacy, and our firms maintain physical, electronic, and procedural safeguards that comply with federal standards to protect our clients’ non-public personal information (“information”). Through this policy and our underlying procedures, KeatsConnelly seeks to secure the confidentiality of client records and information and protect against anticipated threats or hazards to the security or integrity of client records and information.

We have several affiliated financial firms, and as a matter of policy, we do not share personal client information among affiliates for marketing purposes. It is the policy of KeatsConnelly to restrict access to all current and former clients’ information (i.e., information and records pertaining to personal background, investment objectives, financial situation, tax information/returns, investment holdings, account numbers, account balances, etc.) to those employees and affiliated/nonaffiliated entities who need to know that information to provide services to the client. KeatsConnelly and CBTA may disclose a client’s information if KeatsConnelly or CBTA is: (1) previously authorized to disclose the information to individuals and/or entities not affiliated with KeatsConnelly or CBTA, including, but not limited to, the client’s other professional advisors and/or service providers (i.e., attorney, accountant, insurance agent, broker-dealer, investment adviser, account custodian, etc.); (2) required to do so by judicial or regulatory process; or (3) otherwise permitted to do so in accordance with the parameters of applicable federal and/or state privacy regulations. The disclosure of information contained in any document completed by the client for processing and/or transmittal by KeatsConnelly or CBTA in order to facilitate the commencement/ continuation/termination of a business relationship between the client and a nonaffiliated third party service provider (i.e., broker-dealer, investment adviser, account custodian, insurance company, etc.), including information contained in any document completed and/or executed by a client for KeatsConnelly or CBTA (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding nonaffiliated third party service provider.

KeatsConnelly and CBTA permit only authorized employees and affiliates who have signed a copy of the KeatsConnelly/CBTA Privacy Policy to have access to client information. Employees violating the KeatsConnelly and CBTA Privacy Policy will be subject to disciplinary processes by KeatsConnelly or CBTA. Additionally, whenever KeatsConnelly or CBTA hire other organizations to provide services to KeatsConnelly or CBTA for clients, KeatsConnelly or CBTA will require them to sign confidentiality agreements and/or the Privacy Policy.

Should you have any questions regarding the above, or want to limit any sharing of your personal information, please contact Dale A. Walters, Chief Compliance Officer of KeatsConnelly, at (800) 678-5007.

BUSINESS CONTINUITY DISCLOSURE STATEMENT

We always strive to provide the utmost care and security to our clients' personal information. As part of this objective, we have put together a plan to address the possible risk of a business interruption and the actions that will be taken due to such an event. Risk assessment ranges from the most likely (a simple, temporary power outage, for instance) to the inhabitability of our office building (such as a fire).

The primary concerns with any of these events are the protection of our client data and the ability to access their funds. In this regard, should a business disruption occur, our clients' investments are always available through our custodians such as RBC Investors Services, and Fidelity Canada. However, critical money management functions need to be performed and the ongoing relationship with our clients must be maintained with very little or no interruption.

Our plan has been created with a view to continuing normal operations. The first level of security rests with the location of our central server. Our system is hosted in the cloud. In addition, we perform nightly backups based on an industry-wide best practice using off-site, cloud-based, electronic storage provider.

In today's global economy, service organizations or service providers must demonstrate that they have adequate controls and safeguards when they host or process data belonging to their customers.

Should our building become uninhabitable, all telephone calls would revert to our Florida office. Because of the design of our network, our employees can connect remotely to our network from their homes through private networking software.

Our employees are thus able to access all software applications and perform virtually all the duties they normally perform while on the company premises. It is the policy of our firm to operate as a “paperless” office to the fullest extent possible. To that end, all client documents are scanned (then shredded or returned to client) into a document management system so that documents are available on our secure network. This minimizes the risk of documents being destroyed in a fire or other disaster.

A copy of individual client contact information is stored by the company and should an interruption occur, clients will be contacted and informed as to the situation and when the systems will be restored.

Our plan is a continual process and, as such, will be updated and communicated to our clients and employees as changes occur.

Legal Proceedings

Our firm may also assist clients with appropriate research or appropriate information to assist clients with any filings for legal proceedings, e.g., class actions, reorganizations, bankruptcies, etc., relating to any portfolio securities.

Complaint Handling Process

Client Complaints

KeatsConnelly has established a procedure for dealing with service issues with clients. The procedure has been established so that we can resolve as many problems as possible within the firm and avoid further service issues and problems to preserve the goodwill of our clients, even if things go wrong. We also want to resolve issues which may have implications for KeatsConnelly arising from failures in our clients’ services provided by trusted advisors that we have recommended to our clients.

The Client Services Officer shall record the issue on the Client Services Issues Log and speak with the Employee to determine if the recommendation made by the reporting Employee should be accepted. The Client Services Officer has the authority to accept or reject the recommendation made by the Employee and to choose the appropriate course of action. All issues brought to the Client Services Officer are reported on the Client Service Issues Log. The recommendations and the chosen courses of action are also reported on the log. If the decision is made to bring the issue to the Client Services Panel, the following Employees shall be required to meet, as soon as practicable:

Client Services Panel (the “Panel”):

Primary	Alternate if the Primary is not Available
Employee who reported the client service issue	An employee that has been fully updated on the matter, only if the primary employee is not available
Bob Keats or Dale Walters	Compliance Officer
Client Services Officer	Sally Taylor
Department head(s) of the department(s) affected by the issue or able to resolve the issue	Another department representative
Other Involved employee (if the issue was caused by or affects another employee)	An employee that has been fully updated on the matter, only if the primary employee is not available
The Employee assigned as the client’s primary relationship manager if the Employee is not the primary relationship manager	The Employee who works on the client with the primary relationship manager
Other staff members as requested by the Employee or the Client Services Panel	

Clients are to be contacted within three business days of receipt of complaint. Escalation will be done as needed. A formal investigation may be necessary and a written response to that investigation will be delivered to the client within 90 days.

Ombudsman for Banking Services

If you are not satisfied with our decision you may be eligible to the Ombudsman for Banking Services’ (OBSI) dispute resolution services. You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights.

Contact OBSI

Email: ombudsman@obsi.ca

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

OBSI will investigate

OBSI works confidentially and in an informal manner. It is not like going to court, and you do not need a lawyer. During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigations.

OBSI will provide its recommendations

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us. OBSI can recommend compensation of up to \$350,000. If your claim is higher, you must agree to that limit on any compensation you seek through OBSI. If you want to recover more than \$350,000, you may want to consider another option, such as legal action, to resolve your complaint.

For more information about OBSI, visit www.obsi.ca