



StoneCastle
Investment Management Inc.

RELATIONSHIP DISCLOSURE INFORMATION (“RDI”)

1. INTRODUCTION

As a client of StoneCastle Investment Management Inc. (“**StoneCastle**”), it is important that you understand the nature of the services that will be provided by StoneCastle and what you, as client and investor, can and should do to ensure a satisfactory ongoing relationship. To this end, we are providing this RDI which describes what a reasonable investor needs to know about StoneCastle to better understand the nature of our role and responsibilities. This document contains the following information:

- The RDI required to be delivered to you in accordance with Section 14.2 of National Instrument 31-103 - Registrations Requirements, Exemptions and Ongoing Registrants Obligations (“NI 31-103”).
- A description of the measures that we are required to implement in accordance with applicable anti-money laundering and terrorist financing legislation.
- A description of the data and privacy protection we provide to your personal information collected for the purposes of managing your account with us.
- A description of our electronic delivery of documents policy.

2. OUR REGISTRATIONS

StoneCastle is registered as an Investment Fund Manager in British Columbia (principal regulator) and Ontario, as a Portfolio Manager, in Alberta, British Columbia, Ontario, and Saskatchewan, and as an Exempt Market Dealer in Alberta, British Columbia, Ontario and Saskatchewan.

StoneCastle has a Business Continuity Plan (BCP) in place, the purpose of BCP is to prepare StoneCastle Investment Management Inc. in the event of extended service outages caused by factors beyond our control (e.g., health issues, natural disasters, man-made events), and to restore services to the widest extent possible in a minimum time frame to protect clients and ensure the orderly management of portfolio in the event of disasters. StoneCastle will provide a copy of its Business Continuity Plan to clients upon request.

3. PRODUCTS AND SERVICES OFFERED

StoneCastle offers two client service models.

As a portfolio manager, we offer investment management services (“Portfolio Management”) to investment funds created and managed by us, and directly to high-net-worth individuals and institutions, including other investment funds, through separately managed accounts.

As an exempt market dealer, we offer dealer services (“Dealer”) to clients who purchase directly from us securities of funds we manage. As Dealer, we will only trade in securities distributed under

a prospectus exemption (for example, to “accredited investors” within the meaning of applicable securities laws). As an exempt market dealer, we sell Units of StoneCastle Fund (“StoneCastle Fund”, “Fund”), a connected issuer. If you are our Dealer client, this relationship disclosure information assumes that you have agreed to invest in StoneCastle Fund through StoneCastle as the Dealer. The StoneCastle Fund generally offers monthly redemptions only.

We also act as an investment fund manager for investment funds created and advised by us.

StoneCastle’s various services as Portfolio Management or Dealer have unique obligations and/or unique material conflicts of interest. Various sections throughout are highlighted as Portfolio Management or Dealer activity or conflict of interest, however we encourage readers to review the entirety of this disclosure and all the conflicts pertaining to our business.

4. CLIENT’S ACCOUNT WITH STONECASTLE – Portfolio Management

A client’s account with StoneCastle is governed by the terms of the investment management agreement entered into between the client and StoneCastle in relation to a separately managed account.

5. KYC AND SUITABILITY

As a registrant under Canadian securities legislation, StoneCastle is subject to conduct rules relating to Know-Your-Client (“KYC”) obligations that are essential for determining suitability, in order to protect the client, the registrant and the integrity of the capital markets. These rules require a registrant to take reasonable steps to obtain and periodically update information about their clients, including information related to the client’s: personal circumstances, financial circumstances, investment needs and objectives, investment knowledge, risk profile, and investment time horizon. For clients that are not individuals, information concerning the nature of a prospective client’s business, control structure and specified beneficial ownership is also collected.

Accordingly, when opening an account, StoneCastle must take reasonable steps to:

- Establish your identity and if we have a cause for concern, make reasonable inquiries as to your reputation.
- Establish whether you are an insider of a reporting issuer or any other issuer whose securities may be publicly traded.
- Ensure that we have sufficient information to meet our obligations regarding suitability namely, your investment needs and objectives, financial circumstances, risk profile, investment time horizon, and investment knowledge.
- Obtain information to establish the nature of the client’s business and establish the identity of any individual who, in the case of a partnership or trust, exercises control over the affairs of the partnership or trust or, in the case of a corporation, is a beneficial owner of, or exercises direct or indirect control or direction over, more than 10% of the voting rights attached to the outstanding voting securities of the corporation.

In addition to the KYC requirement, StoneCastle must satisfy the suitability requirement for its clients. StoneCastle must take reasonable steps to determine that any investment action it takes, recommends or decides on, for a Dealing Client Account, or Portfolio Management Account under

its discretionary authority, is suitable for the client and puts the client's interest first.

StoneCastle collects the KYC from its clients by asking them to complete a KYC form and confirm its accuracy by way of client signature. The personal information gathered through this process allows us to evaluate the suitability of the securities we may transact for their account.

StoneCastle does not purport to provide advice or guidance on your general financial needs or circumstances nor does StoneCastle offer custody services, brokerage services, tax advice, actuarial advice, or financial planning.

Dealer:

The private placements of securities that StoneCastle deals in may not be suitable for all clients. StoneCastle is obligated to make a determination to ensure the proposed investment is suitable for you, unless you are a "permitted client" and have waived the suitability requirement. Should a Permitted Client not sign a suitability waiver, StoneCastle is required to obtain information relating to your investment objectives, risk profile, investment knowledge, financial position and other relevant information to make a suitability determination. In addition, StoneCastle is required to obtain information related to verifying your identity. This information pertains to the Know Your Client and Anti-Money Laundering requirements. In a private placement of securities, the contractual agreement is between the client/investor and the asset manager or issuer, which in this case remains as StoneCastle. As asset manager and issuer, StoneCastle provide clients/investors with a subscription agreement or other documentation that discloses the particulars of an investment, and it is signed by the client in order for the client to make an investment.

Portfolio Management:

StoneCastle takes reasonable steps to keep the KYC information current. You can help us in this endeavor by providing us with new information that you deem of importance on a timely basis and you should promptly advise us of any material changes to your life circumstances or investment objectives.

6. COMPENSATION PAID TO US - FEES AND ACCOUNT OPERATING COSTS

Fees charged directly to your account reduce the market value of your account(s) portfolio directly, while fees embedded within certain investment instruments – for example the Fund – reduce the market value of those securities held in your account. The impact of fees reduces your investment returns and this impact, due to the effect of compounding, increases over time. Every dollar taken out to cover fees is one less dollar left to invest in the portfolio to compound and grow over time.

Dealer Client:

There are no direct costs associated with the opening or operation of your account, however the fund(s) in which you are invested will pay us fees, as manager, and profits may be shared with one of our affiliates, which you will directly or indirectly bear depending on the fund and the class and/or series of securities in which you are invested. Costs associated with an investment in the Fund are set out in the Offering Memorandum.

You will indirectly bear a proportion of the Fund's operating expenses (generally based on the net asset value of the Units you hold in relation to the net asset value of the applicable fund, however certain fund expenses will be allocated only to certain classes or series of Units if we determine that

those expenses should properly be allocated only to those classes or series).

We do not charge you any trading commissions.

Portfolio Management:

StoneCastle charges its managed account clients a management fee for its services calculated as a percentage of the market value of the client's Accounts. This fee compensates StoneCastle for portfolio management services and the custodian for holding and administering the securities in your portfolio. We have a structured and standardized fee schedule we across all our client's accounts based on the market value of the client's Accounts.

The custodian may levy additional operational or activity fees with respect to your account(s) with that firm. Please contact them directly for further information on such charges.

The trade desk brokers, through whom orders are executed, will charge a commission or spread for this service. These costs are imputed into the purchase price or proceeds of the trade and are ultimately reflected in the cost of securities held by your portfolio, or by funds that your portfolio invests in and, ultimately in your portfolio's performance.

Additional charges or customized fees may apply for complex Accounts requiring customized reporting. For additional information on fees and account operation costs that may apply, please refer to the Investment Management Agreement.

7. REPORTING

Dealer:

As the Dealer, we will forward such reports to you as are from time to time required by law in our capacity as an exempt market dealer, including:

- a written confirmation of the purchase indicating, among other things, the number of Units issued as well as the purchase price thereof and any charges applicable to the purchase;
- a written confirmation of any redemption of Units made through us, indicating, among other things, the number of Units redeemed as well as the redemption proceeds therefrom and any charges applicable to the redemption; and
- a statement at the end of each quarter, if there was a subscription for or redemption of Units by you during the month showing, for each purchase, redemption or transfer made by you during the period (i) the date of the transaction, (ii) whether the transaction was a purchase, redemption or transfer, (iii) the number of Units purchased, redeemed or transferred, (iv) the price per Unit paid or received by you, and (v) the total value of the transaction, as well as the number, original cost and market value of Units held by you at the end of the period.

Annual financial statements and interim financial statements with respect to a Fund invested in by the client are provided to the client to the extent those statements are required by law to be provided, except as otherwise directed by the client pursuant to instructions given to StoneCastle. We send you this information in our capacity as the manager of StoneCastle Fund.

Portfolio Management:

StoneCastle will not send monthly or quarterly statements, rather it will satisfy its delivery of

account statements by relying on the monthly statements you receive from the custodian of your account (i.e. National Bank Independent Network a division of National Bank Financial Inc. or “NBIN”). Both StoneCastle and NBIN are responsible for ensuring the information in the client’s monthly statement delivered by NBIN is complete and accurate. Contact us should you have any questions about information in the monthly statement delivered by NBIN.

StoneCastle will also arrange to have NBIN send a performance report and a charges and compensation report annually, depending on the activity of your account.

8. RISKS TO CONSIDER WHEN MAKING AN INVESTMENT DECISION

Dealer:

Securities laws require us to provide all clients with a description of risks that you should consider when making an investment decision, even where clients have retained us to make investment decisions on their behalf. Risks associated with an investment in the Fund are set out in the Offering Memorandum.

There are risks associated with exempt market securities. Exempt market securities are typically not listed on any stock exchange so your ability to sell them is limited or not available. There could be a lockup period that applies to the security which restricts you from trading, selling, or transferring the security.

Issuers of exempt market securities generally do not have to file a prospectus. A prospectus describes the investment in detail and gives you some legal protections. There is a risk that the issuer will be unable to meet interest and principal payments on its obligations on a timely basis. Furthermore, the securities could be from a non-reporting issuer. This type of issuer does not have to publish financial information or notify the public of changes in its business.

An investment in the Funds should only be made after consulting with independent and qualified sources of investment and tax advice. Only investors who can reasonably afford the risk of loss of their entire investment should consider the purchase of units of any of the Funds. The risks associated with an investment in a Fund are set forth in the applicable offering documentation for the Fund.

Portfolio Management:

StoneCastle will select securities and seek to diversify your account to ensure your managed account holdings are in line with the investment objective, risk profile and asset allocation set out in your Investment Policy Statement (“IPS”).

However, the account's actual performance will be dependent on market fluctuations and other conditions that are both unpredictable and beyond the control of StoneCastle or any other party. Returns on your account cannot be guaranteed.

The following is a summary of the risks of investing. Please note that this list is not exhaustive and has been provided to give you an indication of the factors that can affect the value of your portfolio.

a) Market risk: is the impact of a decline in the overall market (i.e. Equity, Bonds, etc.) on the value of your portfolio.

b) Interest rate risk: is the impact of a change in the level of interest rates on the value of your

portfolio of Bonds or treasury bills. As interest rates rise, bond prices will fall. Equities are also sensitive to this risk, to the extent that they affect demand for the firm's goods or services or affect operating and financing costs.

c) Inflation risk: is the risk of a decline in the purchasing power of your savings due to a general rise in prices.

d) Credit risk: is the risk of a decline in the value of bonds or money market instruments held in your portfolio because of a decline in the perceived creditworthiness of the issuer. In the worst case scenario, you could lose most or all of your investment if the issuer is unable to repay the debt obligation, and there are insufficient assets to pay off the debt. Check the credit rating of a bond issuer before investing.

e) Currency risk: is the risk of a decline in the value of securities held in a foreign currency, due to an appreciation in the value of the Canadian dollar. It also addresses the risk of a decline in the profits of a Canadian Issuer due to fluctuations in the value of currencies in which the Issuer transacts with customers or supplies, or currencies in which the Issuer holds foreign assets.

f) Equity risk: is the general risk of investing in equity markets. The equities market will fluctuate based on a variety of factors, including general economic and market conditions, interest rates, political developments, investor sentiment, and changes within the company that issues the particular security.

g) Developing Market Investment Risk: Developing markets carry certain unique risks, including poor market liquidity and transparency, volatile growth and political risk.

9. RISK OF USING BORROWED MONEY TO FINANCE AN INVESTMENT

StoneCastle does not arrange for nor recommends that a client borrows money in order to invest in securities.

Borrowing money to finance the purchase of securities (including units of the StoneCastle Fund) involves greater risks than a purchase using cash resources only. If a client borrows money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.

10. CUSTODIAL RELATIONSHIP - PORTFOLIO MANAGEMENT

StoneCastle (in this section also referred to as the "Portfolio Manager") arranges for its clients (in this section referred to as the "Client") to enter into custody relationships with custodial firms. StoneCastle will maintain custodial relationships with non-affiliated qualified Canadian custodians or foreign custodians for all Client assets. StoneCastle currently uses National Bank Independent Network a division of National Bank Financial Inc. (in this section referred to as "NBIN") as the custodian, subject to the following notices and disclosures:

Client has selected Portfolio Manager to provide portfolio management services, including discretionary trading instructions in relation to Client's assets maintained in the account held with the Portfolio Manager.

Client, with the assistance of the Portfolio Manager as applicable, has selected NBIN to act as custodian and executing broker in relation to client assets and account maintained by Portfolio Manager, including, without limitation, executing trading instructions from Portfolio Manager

relating to Client assets and account. Client will open an account with NBIN for these purposes. Client will remain a client of both the Portfolio Manager and NBIN for the purposes set out above.

Portfolio Manager and NBIN have entered into an agreement (the Portfolio Manager – Dealer Services Arrangement “PMDSA”) which sets out the roles, responsibilities and obligations of Portfolio Manager and NBIN in respect of Client.

NBIN will provide Client with an order-execution and custody account where Portfolio Manager will make investment decisions and place trading instructions on Client’s behalf.

Portfolio Manager does not have the authority to deposit or withdraw money or assets to or from Client’s account with NBIN (except when incidental to a trade). Client must provide such written instructions directly to Portfolio Manager and NBIN in order to withdraw money or assets from NBIN account.

Portfolio Manager will have the authority to trade Client account held with NBIN on a discretionary basis in the same manner and with the same force and effect as if Client had instructed NBIN directly. NBIN will follow Portfolio Manager’s instructions regarding purchases, sales, or other products or services requested for Client account, in every respect without having to confirm with Client any of the instructions provided to NBIN by Portfolio Manager. These transactions will be made according to the terms and conditions of agreements that Client may enter into from time to time with NBIN and Portfolio Manager.

Portfolio Manager will receive on Client’s behalf, shareholder information, notices of corporate actions and other such notices or disclosures regarding the assets in Client account, unless Client direct NBIN to send this information directly to Client. Portfolio Manager will make decisions on the voting of proxies and other corporate actions involving the securities in Client accounts.

NBIN offers a custody and order-execution only service. Portfolio Manager is solely responsible to provide Client with advice in respect to the suitability of investments for Client and to ensure that the investment strategy determined for Client account, including the use of any leveraging strategies, remains suitable for Client given Client’s investment objectives, time horizon, risk profile, investment knowledge, and overall financial situation. This means that trading instructions from Portfolio Manager are accepted and carried out without NBIN making any recommendation or validating their suitability or appropriateness with respect to Client’s personal circumstances.

Portfolio Manager has engaged NBIN to deliver statements of holdings and activity to Client and does not provide its own statements, however, both Portfolio Manager and NBIN are responsible for ensuring the accuracy and completeness of the statement to the best of its ability. If Client would like to receive a supplementary statement from Portfolio Manager or if you have any questions about the statement issued to you by NBIN, please contact the Portfolio Manager at info@stonecastlefunds.ca.

To make changes to your custodian account information, you will need to complete and sign account information change forms, which can be facilitated through your StoneCastle representative.

The custodian holds Client assets in trust to mitigate the risk of misappropriation of assets. This arrangement incurs additional risks such as the risk of the custodian becoming insolvent and the risk of loss through custodian error, or risk that there will be a failure in the custodian’s system. In StoneCastle’s opinion the risks are reduced because NBIN is a registered investment dealer and a member of the Investment Industry Regulatory Organization of Canada (IIROC) and the Canadian

Investor Protection Fund (CIPF). The benefit of this arrangement is that it is cost effective and provides an efficient means of processing transactions.

StoneCastle conducts initial and on-going due diligence on all chosen custodians and will regularly monitor the services provided. StoneCastle enters into a written PMDSA with each custodian that includes provisions for key matters such as the location of portfolio assets, any appointment of sub-custodian, the method of holding portfolio assets, the standard of care of the custodian, and the responsibility for loss.

StoneCastle will reconcile Client assets with the custodian at least monthly. StoneCastle will also monitor performance of the custodians and will have regular meetings to discuss any issues.

11. CONFIDENTIALITY AND USE OF INFORMATION

Confidentiality of Client Information is a fundamental principle of our firm. StoneCastle, its affiliates, agents, advisers, officers, and employees are required to treat as confidential all information pertaining to the client, the client Accounts and the investment program of the client Accounts (“Account Information”) and shall not disclose the same to persons who are not involved in the management and operation of the client Account, except if authorization is given by the client or as may be necessary to comply with applicable laws. With authorization from its client, StoneCastle may use Account Information and all other information collected from its clients (including, to the extent applicable, personal information) (collectively, “Client Information”) to serve its clients, determine whether any services of StoneCastle are suitable for the client and offer them to the client through an employee of StoneCastle or another area of StoneCastle as required or permitted by law. The client may withdraw this authorization or review the client’s options for refusing or withdrawing this authorization, including the option not to be contacted about offers of products or services, by contacting StoneCastle.

StoneCastle uses online secure cloud servers to store firm’s records including client information. The information stored on these cloud servers may be stored outside of Canada and there may be potential privacy risks.

12. VALUATION

Dealer

The StoneCastle Fund sells, redeems and repurchases their Units at a price based on the current net asset value (“NAV”) on each relevant Valuation Date. StoneCastle’s fees are also based on the calculation of NAV on such dates. A Valuation Date is the last business day of each month, however StoneCastle has the discretion to value the StoneCastle Fund on any day.

Portfolio Manager

The value for each security or asset held in an Account is determined by the client’s custodian and is generally calculated as at 4 p.m. Eastern Time (“ET”), or at such other time as the Toronto Stock Exchange (“TSX”) closes, on each day that the TSX is open for trading (Valuation Date). However, in some unusual circumstances, StoneCastle or the client’s custodian may calculate it at another time where it believes it is in the best interests of the Account to do so. StoneCastle may exercise its discretion to deviate from its valuation practices when such practices cannot be applied to a security or asset or when StoneCastle deems the valuation to be unreliable or stale. In such cases, StoneCastle will determine a value for the security or asset that is fair and reasonable in the circumstances and may include the services of a third-party valuation service provider or other

means.

13. RISK MANAGEMENT AND COMPLIANCE

Risks are managed at StoneCastle by identifying specific risk categories, determining their potential impact, and establishing policies and procedures to monitor, measure and mitigate those risks. The Chief Compliance Officer at StoneCastle is responsible for managing all categories of risk ensuring that StoneCastle is aware of the legislation and regulations by which it is governed, and for providing ongoing advice and support to StoneCastle on compliance related matters. StoneCastle's Chief Compliance Officer provides guidance to StoneCastle in establishing the day-to-day compliance controls and monitors and assesses the effectiveness of these controls.

14. CONFLICTS OF INTEREST DISCLOSURE STATEMENT

Recently revised securities legislation taking effect in Canada in June 2021 requires StoneCastle to disclose in writing all existing and reasonably forceable material conflicts of interest identified by the firm and its individuals, to a client whose interests are affected by the conflicts of interest if a reasonable client would expect to be informed of those conflicts of interest. The disclosure of such conflicts of interest must include a description of each of the following:

- the nature and extent of the conflicts of interest;
- the potential impact on and risk that the conflicts of interest could pose to the client; and
- how the conflicts of interest has been, or will be, addressed.

This statement is to inform you of the nature and extent of existing and reasonably forceable material conflicts of interest that might be expected to arise between StoneCastle and its clients, and between each individual acting on the firm's behalf and the client.

It is important for you to be informed about how we identify existing and reasonably forceable conflicts and how we address material conflicts of interest in the best interest of clients. The materiality of a conflict will depend on the circumstances. StoneCastle considers a conflict of interest to be material in any situation or circumstance where the conflict may be reasonably expected to affect either or both, the decisions of the client, and/or the recommendations or decisions of StoneCastle.

What is a conflict of interest?

A conflict of interest includes any circumstance where:

- the interests of different parties, such as the interests of a client and those of StoneCastle, are inconsistent or divergent
- StoneCastle may be influenced to put their interests ahead of their client's interests, or
- monetary or non-monetary benefits available to StoneCastle, or potential detriments to which StoneCastle may be subject, may compromise the trust that a reasonable client has in StoneCastle.

Every director, officer or employee of StoneCastle shall conduct themselves in a manner consistent with the highest ethical standards. StoneCastle avoids situations that would result in a material conflict of interest that cannot be addressed in the best interest of the client. In other circumstances involving a conflict of interest, StoneCastle takes the appropriate steps to implement controls to mitigate the conflict of interest sufficiently so that the conflict has been addressed in the client's best interest.

Existing or reasonably foreseeable material conflicts of interest are as follows:

CONFLICTS OF INTEREST APPLICABLE TO STONECASTLE AS DEALER

Proprietary Business Model

We have only one proprietary product, the StoneCastle Fund, that we may consider suitable for your Dealer account with StoneCastle. Generally, the suitability determination conducted by us and our representatives will not consider the larger market of non-proprietary products or whether those non-proprietary products would be better, worse or equal in meeting your investment needs and objectives. The proprietary product considered potentially appropriate for your account is subject to due diligence and ongoing monitoring process. We will determine that investing in the proprietary products is suitable for you and puts your interest first.

StoneCastle's financial dependence on related or connected issuers creates an incentive to distribute unsuitable product. Clients may be adversely impacted because there may be other investment options available which might better serve client interests which we do not offer.

How we address this conflict

- We disclose to you the nature of the products and services that we offer.
- We assess the relevant aspects of our proprietary products including the securities' structure, features and risks to ensure that products we approve to be made available for potential investment in client accounts may be suitable for our clients.
- We conduct periodic reviews of our products relative to comparable non-proprietary product to ensure that our products are competitive with alternatives available in the market.
- We have established policies and procedures to ensure that investments are suitable for you based on your Know-Your-Client (KYC) information.
- Our business model is diversified, in addition to offering and managing the StoneCastle Fund, we earn revenues by managing portfolios for separately managed accounts.

Investments in Related or Connected Issuers

Canadian securities legislation requires StoneCastle, prior to trading with or advising their clients, to purchase securities, to inform them of any relevant relationships and connections they may have with the issuer of securities.

A "related issuer" is a person or company that influences or is influenced by, through ownership or direction and control over voting securities, another person or company.

A person or company is a "connected issuer" to another person or company if, due to its relationships with such person, a prospective purchaser of securities of the person or company might question the other person or company's independence from the first person or company.

Clients of StoneCastle, in its capacity as an exempt market dealer, invest in the StoneCastle Fund for which StoneCastle serves as manager. The StoneCastle Fund is a related and connected issuer of StoneCastle. StoneCastle may act as dealer in connection with the distribution of securities of the StoneCastle Fund and may also receive management and/or performance fees from the StoneCastle Fund.

These relationships create the risk that the senior members of the firm when acting in their role as Dealing Representatives may make decisions to invest your account in the StoneCastle Fund due to their other roles including their ownership interest in StoneCastle when it is not in your best interest.

How we address this conflict:

- We have established policies, internal controls and independent processes that are intended to safeguard client interests and to provide reasonable assurance that activities are carried out appropriately.
- We provide full information on these conflicts to you at account opening and at least annually so that you have sufficient information to assess these conflicts. Clients must provide expressed consent in writing in order for their portfolio to invest in related or connected issuers.
- StoneCastle will only recommend an investment by a client in a “connected issuer” where disclosure of such fact has been provided to the client prior to the time of purchase and StoneCastle is reasonably satisfied that an investment in the issuer would be suitable for the client based on information supplied to StoneCastle by the client.
- *See also section below: 17. RELATED PARTIES*

Compensation for Services to the Funds

StoneCastle is the manager and portfolio adviser of certain of the Funds. StoneCastle earns management fees and, in some cases, StoneCastle or affiliates of StoneCastle may receive performance fees. StoneCastle may occasionally face conflicts between its own interests and those of its clients, or between the interests of one client and the interests of another.

StoneCastle may have incentive to place the interest of affiliated Funds, or performance fee generating Funds or accounts, ahead of other client accounts in making investment decisions, which could be detrimental to the performance of client accounts.

How we address this conflict:

- StoneCastle has adopted certain policies to minimize the occurrence of such conflicts and to deal fairly where these conflicts cannot be avoided.
- StoneCastle has adopted fair allocation of investment opportunities policies and procedures to ensure fair treatment of all accounts over time. In no case will StoneCastle put its own interests ahead of those of its clients.

Internal Compensation Practices

Certain StoneCastle employees are eligible to receive bonuses for selling units of StoneCastle Fund, growth of assets under management of StoneCastle Fund, and/or overall growth of assets under management of StoneCastle.

This compensation practice creates the risk that some registered individuals may put their interests ahead of our clients and offer StoneCastle’s services or StoneCastle Fund to clients who are not suited to StoneCastle Fund’s investment strategy in order to earn compensation from StoneCastle.

How we address this conflict:

- Compensation arrangements that may apply are disclosed to you.
- To ensure that a relationship with StoneCastle is in your best interest, StoneCastle only accepts clients for whom the services offered by StoneCastle are suitable.
- The fees charged to you by StoneCastle is the same whether or not an employee receives compensation.
- Our compensation program for registered individuals includes different targets and payouts, largely based on the complexity of the services provided. The majority of compensation is comprised of base salary and therefore compensation is not solely or

largely based on specific investments or securities held in your account.

Staff Accounts Held at StoneCastle

StoneCastle may operate dealer accounts for staff, shareholders of the firm and related persons.

This practice creates risk that the accounts of staff and other associates of StoneCastle could be treated more favourably than the accounts of other clients.

How we address this conflict:

- Our Priority of Client Orders Policy requires that orders for these accounts will participate with those of other dealer accounts, and they will not receive preference with respect to price or timing.

Conflicts Arising from Manager Activities for StoneCastle Fund

Fund Fees and Expenses

There is a potential conflict of interest in charging Fund expenses because StoneCastle could charge expenses inappropriately to a fund or series units in a manner that would result in a benefit to StoneCastle.

StoneCastle may experience a conflict between its desire to increase management fees or charging a performance fee and the interests of the securityholders.

Additional expenses, or fees paid by the fund reduce its value, and subsequently the returns for investors.

How we address this conflict:

- We have established a Fund Expense Allocation Policy which governs how the manager charges operating expenses to the Funds
- The Manager currently manages this conflict by clearly disclosing to investors the expenses which are charged to the Funds (in the Offering Memorandum) and ensuring that none of the Manager's general operating expenses are borne by the Fund.
- Changes to management fees and expenses that can negatively impact a securityholder can only be made with the approval of the securityholders. The securityholders are given the ability to reject or accept the change.

NAV Errors/ Error Corrections

StoneCastle identifies and fixes incorrect calculations of the Funds' NAVs in specified circumstances. There is a potential for conflict of interest in that correcting NAV errors may adversely effect StoneCastle's management fee revenue and/or necessitate StoneCastle incurring costs to correct such errors.

Valuations impact fee calculations as fees paid by clients reduce the value of their account, and may influence position reporting and performance reporting as reporting could be misleading to clients.

How we address this conflict:

We have established a Correcting Portfolio NAV Errors Policy which governs how the manager determines whether an error in calculating the net asset value should be corrected, if at all.

Outsourcing to Third-Party Services

When a manager makes material changes that involve in-sourcing or outsourcing services or having a related party provide services to a fund that is managed by the manager, there is a perceived or potential conflict of interest to the extent that the decision could result in benefits to the manager or the related party.

Independent service providers are engaged to perform certain activities which are overseen by StoneCastle. The selection of service provider may be in favour of lower charges to the manager, for example, rather than optimal performance by the provider.

How we address this conflict:

- We have established an Oversight of Service Providers Policy which prohibits changes in service providers that do not adequately address policy considerations related to conflicts of interest where the Manager has a direct financial benefit, the Manager has adequately balanced the need to operate its business on commercially reasonable terms against actual or perceived conflicts of interest.
- Outsourced services are not to related parties.

CONFLICTS OF INTEREST APPLICABLE TO STONECASTLE AS DEALER AND PORTFOLIO MANAGEMENT

Small Firm with Limited Human Resources

StoneCastle employs a limited number of staff wearing multiple decision-making “hats” within the organization and across its various registration categories. StoneCastle’s Ultimate Designated Person is also the Chief Compliance Officer, Advising Representative and Dealing Representative. StoneCastle employs additional staff as Advising Representative and Dealing Representative. This may present a conflict of interest between staff’s various duties and supervisory obligations.

Clients may be adversely impacted if staff are unable to make objective decisions, wearing multiple hats, that address the client’s best interest. This can result in disadvantages and losses arising for clients.

How we address this conflict:

- When duties cannot be separated, compensating controls will be put in place. Compensating controls are internal controls that are intended to reduce the risk of an existing or potential control weakness (for example, minimum of 2 individuals to review staff personal trading to ensure adherence to policy requirements).

StoneCastle Investment Management Inc is owned by the Campbell Family Trust.

Referral Arrangements

We may have established referral arrangements with third-party referring agents where we pay them an ongoing fee for referring you to us.

This compensation practice creates the risk that referring agents or employees may refer or

introduce clients to StoneCastle who are not suited to StoneCastle's investment strategy in order to earn compensation from StoneCastle.

How we address this conflict:

- All referral arrangements including any special compensation arrangements that may apply are documented in written agreements and are disclosed to you.
- Prior to accepting a referred client, we conduct due diligence on the referring agent to ensure that the agent meets our internal standards and is qualified to serve you.
- To ensure that a relationship with StoneCastle is in your best interest, StoneCastle only accepts clients for whom the services offered by StoneCastle are suitable.
- The fees charged to you by StoneCastle is the same whether or not you are referred or introduced to StoneCastle by a referral agent or employee who receives compensation.

Benchmark Indices

Changing a disclosed benchmark linked to the performance of a fund or portfolio may create a potential or perceived conflict of interest if the change creates a misleading perception that the fund's performance has improved or not declined in a material way.

Clients may be misled and not be aware of potential bias and impact on suitability/ performance.

How we address this conflict:

- StoneCastle may not change a benchmark index named in a Fund's offering document or performance report if such a change would result in creating a misleading or false perception that the Fund's performance has improved in a material way or mask poor performance.

Client Complaints

StoneCastle may be motivated to ignore or minimize client complaints to reduce or eliminate the potential for financial or reputational losses.

Clients may incur losses and not be reimbursed for firm's error.

How we address this conflict:

- StoneCastle considers any client complaints to be a serious matter. The Manager's complaints handling process is set out in Complaints Policy.

CONFLICTS OF INTEREST APPLICABLE TO STONECASTLE AS PORTFOLIO MANAGEMENT

StoneCastle is a discretionary portfolio manager and like other similar firms, there are conflicts of interest that are inherent to the relationship between a discretionary manager and their clients. The following is a summary of the material conflicts of interest that we have identified related to our role as your portfolio manager, how they impact you, and how we address them in your best interest.

Portfolio Management & Performance Fees

StoneCastle is compensated for the discretionary management services we provide to you by a portfolio management fee which is charged on a monthly basis based on the value of total assets in your managed account, plus performance fees based on the performance of assets in your

managed account..

Compensation creates the risk that our employees may be motivated to act in a manner that is not in your best interest in order to increase the compensation earned by StoneCastle.

How we address this conflict:

- Our portfolio management and performance fees do not incentivize investments in particular securities or asset classes as fees are charged as a percentage of total assets and, as applicable, based on certain performance targets (excluding assets with embedded trailing commissions see below).
- StoneCastle does not offer our Associate Advising Representatives or Advising Representatives any compensation or incentives that are sales or revenue based or that compensates the individual for investing in certain products over others.

Trailing Commissions (Embedded Compensation)

When you transfer in accounts from another firm, the securities transferred to StoneCastle may include securities that pay trailing commissions to StoneCastle, typically mutual funds.

The fact that trailing commissions are paid on these securities creates the risk that StoneCastle could charge you portfolio management fees in addition to the trailing commissions which have already been charged on these securities by the mutual fund companies.

How we address this conflict:

- We remove the value of your holdings in securities that pay trailing commissions from your total assets in calculating portfolio management fees you pay us so that you do not pay any portfolio managements fees on these assets.

Fair Allocation of Investment Opportunities

StoneCastle may execute orders for the purchase of a specific security for multiple managed accounts (including the StoneCastle Fund). StoneCastle establishes processes for bundling of trades to achieve efficiencies in execution and for the allocation of shares traded.

This conflict creates the risk that StoneCastle may favours one client's managed account over another client's account.

How we address this conflict of interest:

- We have established a Fair Allocation Policy to ensure that all clients are treated fairly. When orders are bundled, the respective trade executions are allocated to each participating managed account based on the average fill price, net of commissions for each account. If the entire order is not completed, the executed volume is allocated to each participating managed account on a pro-rata basis based on the relative size of their initial order net of commissions.
- Where a client and one or more of the other clients of StoneCastle are engaged in the purchase or sale of the same security, the transaction will be effected on an equitable basis. StoneCastle will allocate opportunities to make and dispose of investments equitably among clients with similar investment objectives having regard to whether the security is currently held in any of the relevant investment portfolios or accounts, the relative size and rate of growth of the client and the other clients under common management and such

other factors as StoneCastle may consider relevant in the circumstances.

Brokerage Commissions and Best Execution

StoneCastle is permitted to use client brokerage commissions, on behalf of its clients, to obtain products or services (most notably, research) from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer. The use of client brokerage commissions creates a potential conflict of interest with a portfolio manager's ability to direct brokerage transactions involving client commissions to a broker dealer in return for the provision of goods or services, other than order execution. Brokerage firms who execute trades charge fees on trading activity and may provide certain benefits or compensation to firms for using their service. These benefits or compensation may be in the form of 'soft dollars' meaning non-monetary benefits such as access to research or information systems, or firms may be compensated in the form of revenue sharing arrangements, such as commission rebates.

This conflict creates a risk that firms may execute trades in a manner that generates benefits to the firm rather than seeking best execution for the client.

How we address this conflict of interest:

- Trades for portfolios under management are executed through various brokers on the basis of the broker's competitive fee schedule. Because the listed securities which are traded in managed accounts are liquid instruments, execution price is not expected to vary significantly between brokers. StoneCastle will, on an annual basis, review this arrangement and assess the quality of the broker's trade executions and customer service.
- This conflict of interest is also addressed through our compliance with applicable securities laws, including National Instrument 23-102 – *Use of Client Brokerage Commissions*.
- We have established a Client Brokerage Commission Policy which governs how the StoneCastle pays for research from brokers and how these expenditures are approved. StoneCastle may obtain research goods or services from a broker-dealer in exchange for the direction of client brokerage transactions to that same broker-dealer utilizing standard commission fees, however StoneCastle does not presently enter into soft dollar or revenue sharing arrangements with executing brokers. The firm will develop appropriate policies and procedures regarding this area, if and when it decides to engage in such activity.
- We have established a Broker Selection Policy which governs how StoneCastle selects brokers to execute portfolio transactions.
- We have established a Best Execution Policy which governs StoneCastle's approach to best execution in executing portfolio transactions for managed accounts and how StoneCastle intends to achieve best execution for each such transaction.
- The conflict has been mitigated by establishing procedures aimed at ensuring the benefit of brokerage accrues to the managed accounts.

Trading and Settlement Errors

There is the potential for conflict of interest if StoneCastle were to ignore trade or settlement errors to avoid the additional costs for any losses resulting from its actions.

This practice creates risk for clients to incur losses and not be reimbursed for StoneCastle's error.

How we address this conflict:

- Our Errors Policy governs when and how StoneCastle compensates clients for trading and settlement errors.
- Corrections or amendments to trades must be made promptly where required. Client investment account will be made whole if the correction of error results in a loss. Errors will also be communicated to the client in a timely manner.

Staff accounts held at StoneCastle

StoneCastle may operate managed accounts for staff, shareholders of the firm and related persons.

This practice creates risk that the accounts of staff and other associates of StoneCastle could be treated more favourably than the accounts of other clients.

How we address this conflict:

- Our Fair Allocation Policy requires that orders for these accounts will participate with those of other managed accounts, and they will not receive preference with respect to trade execution or participation in investment opportunities.

Personal Trading

Our staff (and related persons) are allowed to operate accounts at other registered firms.

This practice presents the risk that staff may have confidential knowledge about our clients and the securities they have in their account which they could use in their own personal trading decisions, disadvantaging our clients.

How we address this conflict:

- StoneCastle has adopted a Personal Trading policy that applies to all officers, directors and staff. These policies are designed to reasonably prevent these persons from trading in advance of managed account orders or trading on the basis of their knowledge of accounts' activities.
- When a director, officer or employee is on the opposite side of a transaction from a client (e.g., the client sells a security and a director, officer or employee is the purchaser, or the client buys a security and a director, officer or employee is the seller), the director, officer or employee may be considered to have an "adverse interest" in the transaction. The Chief Compliance Officer or the Ultimate Designated Person or its delegate will ensure that any transactions executed on behalf of a client are in the best interest of such client.
- The client's interest has precedence over any director, officer or employee's personal interest. While there is no standard that applies in every case, in general, directors, officers and/or employees will execute client orders before entering orders for personal accounts in the same security.

Outside Activities

Staff may participate in outside business activities or employment.

A conflict of interest exists because staff may be motivated to place the interests of their outside activity ahead of your interests.

How we address this conflict:

- StoneCastle has established policies and procedures to review any proposed outside activity to ensure that it does not present conflicts with client interest, or that if it does, controls can be put into place to address the conflict in the best interest of our clients. Activities that create conflicts which cannot be addressed in your best interest will not be approved by StoneCastle.

Gifts and Entertainment

Staff may be offered gifts and entertainment from business partners, service providers, vendors, or clients.

Gifts or entertainment may influence staff to put the interests of the gifting party ahead of the client's interest, for example, to direct trades to brokers, or other business to other service providers, or give preferential treatment to clients, if they were permitted to accept excessive or extravagant entertainment or gifts from such entities.

How we address this conflict:

- StoneCastle has established Gifts and Entertainment Policy which governs when its employees may accept from or provide to business partners gifts and entertainment, including the frequency and value thereof.
- Employees may not accept any gift or entertainment which is intended to improperly influence a business decision.

Pricing and Fair Valuation

StoneCastle has a duty and obligation to use fair pricing procedures. In valuing assets of a client account or Fund there is a potential conflict of interest in that a higher net asset value ("NAV") increases the management fees earned by StoneCastle where management fees paid to StoneCastle are based on the NAV. StoneCastle receives more revenue when the NAV of a Fund is higher. Also, overstating the NAV would improve a Fund's performance which could result in greater sales which, in turn, would result in StoneCastle earning greater revenue.

Valuations impact fee calculations - fees paid by clients reduce the value of their account. Valuations influence position reporting and performance reporting - reporting could be misleading to clients.

How we address this conflict:

- StoneCastle has established Securities Valuation which governs how individual securities held in the client accounts or the Funds are valued monthly to arrive at the monthly net asset value.
- By outsourcing the pricing of securities to a third party and setting out a procedure for dealing with differences of opinion regarding valuation issues, StoneCastle has implemented a structure that mitigates the conflict of interest.

Proxy Voting

In voting securities held by clients or the Funds, a conflict of interest exists in that StoneCastle may have to choose between decisions that would be advantageous to it or certain of their clients and voting in the best interest clients or the Funds.

This may result in disadvantages to certain clients.

How we address this conflict:

- StoneCastle has established Proxy Voting which governs how and when the manager votes at meetings of securityholders of its portfolio investments. By setting out predetermined guidelines based on industry best practices, this proxy policy reduces the potential for arbitrary voting decisions that are not made in the best interests of each client or Fund.

Staff Conflicts of Interest

New conflicts of interest may arise between the interests of StoneCastle staff, officers and directors, and the interests of our clients.

How we address these conflicts:

- The board of directors of StoneCastle has adopted a Code of Ethics and Conduct to which all staff are subject which requires that staff must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.
- StoneCastle has established a comprehensive Conflict of Interest policy overseen by the CCO which requires all staff to be alert to the potential for conflicts of interest, and to promptly report any new potential conflict of interest to the CCO. The CCO will review the matter and determine appropriate action to resolve the matter in the best interest of clients.
- In the case of registered Advising Representatives, Associate Advising Representatives and Dealing Representatives who identify conflicts between their interest and those of clients, the individual must not engage in any trading or advising activity related to the conflict of interest unless the conflict has been addressed in the client's best interest and StoneCastle has provided consent to proceed with the activity, as required by law.

15. WHAT TO DO IF YOU HAVE A COMPLAINT

StoneCastle maintains an ongoing membership with the Ombudsman for Banking Services and Investments ("OBSI"). Please see Appendix "A" to this Relationship Disclosure Information for a description of StoneCastle's complaint handling process and the procedure to be followed if you wish to have your complaint resolved by OBSI.

16. PRINCIPLE OF FAIR ALLOCATION OF INVESTMENT OPPORTUNITIES

StoneCastle may, from time to time, act as portfolio manager to segregated managed accounts in addition to certain pooled investment funds. To ensure fairness in the allocation of opportunities among its clients, and as between its segregated accounts and the Funds, StoneCastle will ensure:

- Where orders are entered simultaneously for execution at the same price, fills are allocated on a pro rata basis and when transactions are executed at different prices for a group of clients, fills are allocated on an average price basis;
- In the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a pro rata basis. However, if such prorating should result in an inappropriately small position for a client and or particular fund, the allotment would be reallocated to another

account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these prorating and reallocation policies result in fair and equal treatment of all clients, including the Funds; and

- Trading commissions are allocated on a pro rata basis, in accordance with the foregoing trade allocation policies.

17. RELATED PARTIES

IMPORTANT CONCEPTS

"Related party" - A party is related to us if, through the ownership of or direction or control over voting securities, we exercise a controlling influence over that party or that party exercises a controlling influence over us.

"Connected party" - A party is connected to us if, due to indebtedness or certain other relationships, a prospective purchaser of securities of the connected party might question our independence from that party.

"Associated party" - An associated party is either a related party or another party in a close relationship with us, such as one of our partners, salesperson, directors, or officers.

We must make certain disclosures where we act to advise you, or exercise discretion on your behalf with respect to securities issued by us, by a related party or, in the course of an initial distribution, by a connected party. In these situations, we must disclose either our relationship with the issuer of the securities, or that we are the issuer. We must also make disclosure to you where we know or should know that, as a result of our acting as your adviser, or of our exercising discretion on your behalf, securities will be purchased from or sold to us, an associated party or, in the course of an initial distribution, a connected party.

The following is a list of the time and manner in which these disclosures must be made:

- Where we underwrite securities, the required disclosure will be contained in the prospectus or other document being used to qualify those securities.
- Where we buy or sell securities for your account, the required disclosure will be contained in the confirmation of trade which we prepare and send to you.
- Where we advise you with respect to the purchase or sale of securities, the disclosure must be made prior to our giving the advice.

In addition, where we exercise discretion under your authority in the purchase or sale of securities for your account, we may not exercise that discretion for the types of transactions described above unless we have obtained your prior specific and informed written consent.

The following is a list as of December 31, 2022 of our related parties which are reporting issuers.

- Purpose Investments – Purpose Canadian Equity Growth Fund, Purpose Canadian Income Growth Fund, StoneCastle Global Tactical Asset Allocation Fund
- Decisive Dividend Corporation - Bruce Campbell is a shareholder, founder, and director of the corporation. The Funds may invest in Decisive Dividend Corporation which could create a conflict as Mr. Campbell acts on behalf the funds and also the corporation.

StoneCastle Fund is a connected issuer.

We will provide you with a revised version of this document if the list changes.

If you have any questions, please contact:

StoneCastle Investment Management Inc.
#205-1708 Dolphin Ave
Kelowna, BC
V1Y 9S4
250-448-6475
bruce@stonecastlefunds.ca

18. BENCHMARKS

A client can judge how their investments are doing by comparing the rate of return on the securities they hold to an investment performance benchmark. The rate of return is affected by, among other things, changes in the value of securities held in the account, dividends and the interest earned, as well as deposits and withdrawals made by the client. To compare an account's rate of return with a benchmark, find a benchmark made up of securities like the ones held in the account. For example, the S&P/TSX Composite is a benchmark for a broad group of Canadian stocks that trade on the Toronto Stock Exchange. It is a good yardstick for assessing performance of a Canadian equity mutual fund with investments in Canadian corporations. It would not be a good benchmark if the account holds foreign investments, bonds, shares of smaller companies, or ones limited to only one part of the economy. Instead, the client would have to find a foreign equity, bond, small cap or industry sector benchmark. If the client has an account made up half of stocks and half of bonds, they should compare the rate or return to the average of a stock and a bond index.

A client should keep in mind that:

- (a) Benchmarks should be used as a guide only;
- (b) Benchmarks do not factor in commissions or other costs to invest and often do not include low-earning assets that an account would hold to cash in quickly for emergencies. This means benchmark returns will seem higher than what you would earn on your account if you held the same securities as the index;
- (c) Benchmark rates of return are calculated using a specified method. For the best comparison, a client should be sure this is how the rate of return on the account is calculated;
- (d) Benchmarks are based on how a sample portfolio performs and that other factors, such as tax considerations, will affect the account returns.

Should we use a benchmark comparison when reporting the performance of one of our funds, an explanation of the similarities and differences between the fund and the benchmark will be provided at that time. Please contact StoneCastle by calling (250) 448-6475 or by sending an email to info@stonecastlefunds.ca if you have questions about the performance of the Fund or what benchmark(s) might be appropriate for you.

19. EFFECTING PORTFOLIO TRANSACTIONS (INCLUDING CLIENT BROKERAGE COMMISSIONS) – PORTFOLIO MANAGER

All decisions as to the purchase and sale of securities for an Account and all decisions as to the execution of portfolio transactions, including the selection of execution venues, the broker-dealer and the negotiation, where applicable, of commissions or spreads, will be made by StoneCastle as

the portfolio manager of the Account. The determination of brokerage allocation is a process in which StoneCastle measures and evaluates a broker-dealer's ability to provide best execution as well as their order execution capabilities, order execution products and services and research products and services. In seeking best execution in effecting portfolio transactions, StoneCastle considers a number of elements, including but not limited to execution price, speed of execution, certainty of execution, and overall cost of the transaction. StoneCastle may select broker-dealers from its list of approved broker-dealers, who may charge a commission in excess of that charged by other broker-dealers, if StoneCastle determines in good faith that the commission is reasonable in relation to the services utilized by it. In certain circumstances, StoneCastle may receive permitted goods or services from broker-dealers in exchange for executing brokerage transactions with such broker-dealers.

There are two types of goods and services StoneCastle may receive: research goods and services ("Research Goods and Services") and order execution goods and services ("Order Execution Goods and Services"). Research Goods and Services may include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; (ii) analyses and reports concerning securities, issuers, industries, portfolio strategies or economic or political factors and trends that may have an impact on the value of securities or investment strategies; (iii) seminars and conferences fees; (iv) databases and software including, but not limited to, quantitative analytical software; (v) market data from feeds or databases; and (vi) post-trade analytics. Such goods and services may be provided by the executing broker-dealer directly or by a party other than the executing broker-dealer.

Order Execution Goods and Services may include: (i) execution management systems and order management systems (to the extent they help arrange or effect a securities transaction); (ii) algorithmic trading software and market data (to the extent they assist in the execution of orders); and (iii) custody, clearing and settlement services that are directly related to an executed order that generated commissions. These goods and services may also be provided by the executing broker-dealer directly or by a party other than the executing broker-dealer.

Generally, the users of Research Goods and Services and Order Execution Goods and Services are StoneCastle's portfolio managers, analysts and traders.

In certain instances, StoneCastle may receive goods and services containing some elements that qualify as Research Goods and Services and/or Order Execution Goods and Services along with other elements that are not permitted goods and services. This is commonly referred to as a "mixed use" product. In these cases, StoneCastle will only use brokerage commissions to pay for the portion of the goods and services that are permitted (i.e., Research Goods and Services and Order Execution Goods and Services).

StoneCastle makes a good faith determination that its Accounts and clients receive a reasonable benefit from the use of the Research Goods and Services and Order Execution Goods and Services, relative to the amount of brokerage commissions paid and charged to the Accounts. Specifically, StoneCastle's investment management team determines brokerage allocation to the broker-dealers based on a process which measures and evaluates the broker-dealers' ability to provide best execution of trades and the range of Research Goods and Services and Order Execution Goods and Services utilized.

In some instances, Research Goods and Services and Order Execution Goods and Services may benefit Accounts and clients of StoneCastle other than those whose trades generated the brokerage commission. However, StoneCastle has policies and procedures in place such that over a reasonable period of time, all clients receive fair and reasonable benefit in return for the brokerage

commission generated.

For a list of broker-dealers or third parties who provide Research Goods and Services and/or Order Execution Goods and Services, please contact StoneCastle by calling (250) 448-6475 or by sending an email to info@stonecastlefunds.ca.

20. ANTI-MONEY LAUNDERING AND TERRORIST FINANCING

Under the provisions of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), StoneCastle is obligated to implement specific measures to detect and deter money laundering and the financing of terrorist activity. As such, all investments into our Funds require completed documentation including confirmation of investor identification or financial entity information. If StoneCastle is aware or suspects that an investor is engaged in money laundering, it is our duty to report our suspicions to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). Any such reporting will not be deemed a breach of privacy and confidentiality restrictions imposed by applicable law or otherwise.

Additional information on FINTRAC can be obtained at <http://fintrac-canafe.gc.ca>.

Canada's legislative measures against terrorists, terrorist groups and other listed and sanctioned individuals and entities, prohibit activity with respect to assets of persons designated under such legislation. Registered advisers or dealers are also required to make monthly reports to securities regulators, stating whether they have had any dealings with persons on official lists of terrorists. Accordingly, StoneCastle is required, on a monthly basis, to compare its client list to the list of names published on official lists of terrorists. An exception report would be produced and filed if any matches occurred.

21. CONSENT TO ELECTRONIC DELIVERY OF DOCUMENTS

As part of the account opening process, StoneCastle provides its clients with the possibility to consent to the electronic delivery of documents if they wish to receive electronic delivery of the documents which relate to their investment in the Funds. Clients can consent to this electronic delivery of documents by signing the applicable section of the Subscription Agreement for the applicable Fund. Client's consent may be revoked or altered, including any change in the electronic mail address provided, at any time by notifying StoneCastle of such revoked or altered consent by telephone, regular mail, or electronic mail.

22. YOUR RELATIONSHIP WITH US

It is important that you actively participate in our relationship. In particular, we encourage you to:

1. Keep us fully and accurately informed regarding your personal circumstances, and promptly advise us of any change to information that could reasonably result in a change to the types of investments appropriate for you, such as a change to your income, investment objectives, risk profile, investment time horizon or net worth.
2. Review the documentation and other information we provide to you regarding your account, transactions conducted on your behalf and the holdings in your portfolio.
3. Ask questions of and request information from us to address any questions you have about your account, transactions conducted on your behalf or the holdings in your portfolio, or your relationship with us or anyone acting on our behalf.

23. UPDATES OF THIS DOCUMENT

This RDI document will be updated whenever there are significant changes to the information contained herein, in any event, no less frequently than once a year. The updated RDI will be made available to clients, stakeholders in a timely manner and, if possible, before StoneCastle purchases or sells a security for the client or advises the client to purchase, sell or hold a security.

Should you have any questions regarding this RDI, please do not hesitate to contact us.

July 2023

APPENDIX “A”

STONECASTLE INVESTMENT MANAGEMENT INC.

WHAT TO DO IF YOU HAVE A COMPLAINT

Our Complaint Process

Filing a complaint with us

If you have a complaint about our services or a product, contact us at:

StoneCastle Investment Management Inc.
1708 Dolphin Avenue, Suite 205
Kelowna, British Columbia, V1Y 9S4
Tel: 250-448-6475
Toll Free: 1-866-780-6475
Email: info@StoneCastlefunds.ca

You may want to consider using a method other than email for sensitive information.

Tell us:

- What went wrong
- When it happened
- What you expect (for example, money back, an apology, account correction)

We will acknowledge your complaint

We will acknowledge your complaint in writing as soon as possible, typically within five (5) business days of receiving your complaint.

We may ask you to provide clarification or more information to help us resolve your complaint.

We will provide our decision

We normally provide our decision in writing, within 90 days of receiving a complaint. It will include:

- a summary of the complaint
- the results of our investigation
- our decision to make an offer to resolve the complaint or deny it, and any explanation of our decision.

If our decision is delayed

If we cannot provide you with our decision within 90 days, we will:

- inform you of the delay
- explain why our decision is delayed; and
- give you a new date by which to expect our decision

You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

If you are not satisfied with our decision

You may be eligible for OBSI's dispute resolution service.

If you are a Québec resident

You may consider the free mediation service offered by the Autorité des marchés financiers.

Help us resolve your complaint sooner

- Make your complaint as soon as possible
- Reply promptly if we ask you for more information
- Keep copies of all relevant documents, such as letters, emails, and notes of conversations with us.

A word about legal advice

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 later on.

Taking Your Complaint to OBSI

You may be eligible for OBSI's free and independent dispute resolution service if:

- We do not provide our decision within 90 days after you have made a complaint, or
- You are not satisfied with our decision

OBSI can recommend compensation of up to \$350,000.

OBSI's service is available to clients of StoneCastle. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

Who can use OBSI?

You have the right to use OBSI's service if:

- Your complaint relates to a trading or advising activity of our firm or by one of our representatives;
- You brought the complaint to us within six (6) years from the time that you first knew, or ought to have known, about the event that caused the complaint; and
- You file your complaint with OBSI according to its time limits below

Time limits apply

- If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.
- If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

Filing a complaint with OBSI

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 recommendation

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 will have to 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, please visit www.obsi.ca

Information OBSI needs to help you

OBSI can help you best if you promptly provide all relevant information, including:

- your name and contact information
- our firm's name and contact information
- the names and contact information of any of our representatives who have been involved in your complaint
- details of your complaint
- all relevant documents, including any correspondence and notes of discussions with us