

Stephen Avenue Securities Inc.

Relationship Disclosure

2021-12-31

PRODUCTS AND SERVICES

Stephen Avenue offers investment advice, trading, portfolio management and corporate finance services to our clients. The investment products we offer include, but are not limited to, the following types of securities: *Fixed Income* - such as treasury bills, money market or fixed income mutual funds, GICs, commercial paper, government bonds and corporate debentures. *Equities* - these are common shares, preferred shares and rights or warrants and mutual funds that trade on a stock exchange or alternate trading system. *Derivatives* - exchange traded options, *Structured Products* - these are more complex products that make use of derivatives, equities and/or fixed income securities. *Mutual funds* - these are normally comprised of a basket of securities and can be combinations of fixed income and equity securities and may make use of derivatives. *New Issues* - the different types of securities noted above may be purchased in the secondary market (e.g. on a stock exchange) or by a new issue under prospectus disclosure or under a private placement exemption. *Private funds* - these may hold of assets such as real estate, mortgages, precious metals, and royalties.

SAS does not primarily offer any proprietary products. We do not have any general limitations on the types of products or services noted above but reserve the right to refuse to receive in or effect transactions for certain securities. Structured Products, Mutual Funds and Private Funds may restrict the periods of time in which you may redeem units of the fund and/or the amounts you may redeem. For other types of securities your ability to sell will depend on the market conditions at the time you wish to sell.

ACCOUNT RELATIONSHIP

Stephen Avenue offers two types of account relationships, Advisory and Managed (if you have completed a Managed Account Agreement). *Advisory Relationship* - this is an account where you are responsible for investment decisions but your advisor is responsible for the advice he/she gives you. Prior to buying or selling a security in your account we must obtain your permission (verbally or in writing). It is your responsibility to monitor your account and advise us if you wish to sell any of the securities you hold. *Managed Relationship* - where a portfolio manager oversees your account and has discretionary authority to make investment decisions for your account on a continuing basis based on your investment objectives and risk tolerance. In all cases, your advisor must meet an appropriate standard of care and provide suitable investment recommendations.

SUITABILITY OF INVESTMENTS

Stephen Avenue is responsible for assessing the suitability of your investments whenever the following occur: a security transaction is requested by you; an investment recommendation is made by your advisor; securities are transferred in or out of your account(s) from outside SAS; there is a change in the advisor for your account(s); there is a material change to your information contained in your New Client Account Application Form. For a Managed Account, suitability is assessed on an ongoing basis. We assess the suitability based on the information you provide on the New Client Application form and related documents, this includes your financial situation, investment objectives, time horizon (when provided), risk tolerance and investment knowledge. We also assess suitability on a portfolio basis, not on a separate account basis. A significant market fluctuation or other events may not result in a review of the suitability of your investments. Any investment action we take or recommend to you will be suitable and put your interests first.

TRUSTED CONTACT PERSON

If you provide us with the name and contact information for a Trusted Contact Person and we reasonably believe that you are subject to financial exploitation or that you do not have the mental capacity as it relates to making financial decisions, we may advise the Trusted Contact Person of our concerns but will not disclose to them any information regarding your account or any personal information we may have collected regarding you.

TEMPORARY HOLD

If we reasonably believe you are a vulnerable client and are subject to financial exploitation or that you do not have the mental capacity as it relates to making financial decisions, for your protection we may place a temporary hold on your account(s) or a transaction requested. If done, you will be notified of the hold and reasons for it as soon as possible. You should not rely on SAS placing a temporary hold on your account to protect your interests.

CONFLICT OF INTERESTS

Stephen Avenue has procedures to ensure we take reasonable steps to identify existing and potential material conflicts of interest that may arise between the interests of the SAS or its employees and the interests of our clients. Any material conflicts of interest that are reasonably foreseeable, which are not avoided, will be addressed in the best interest of the client and will be disclosed, where required, to the client in a timely manner, upon identification of the conflict. Refer to our Conflicts of Interest Policy for more details.

FEES AND CHARGES

An Advisory or Trading account will be charged a commission or fee on each purchase or sale of a security. If you choose a Fee-Based or a Managed Account account we will charge a fee based on a percentage of assets and may include a per-trade fee. For Fixed Income and New Issues the commission is normally included in the price you pay or receive. For New Issues a commission or fee is paid by the Issuer. For Mutual Funds, Private Funds and Structured Products we may charge a commission and the Fund may charge a commission or may defer the charge until you sell your units of the Fund. The Fund manager will normally charge you an annual management fee and may periodically pay us a small 'Trailing Fee' (refer to the disclosure documents the fund provides). Any fees or commissions paid may reduce the investment returns in your account, the effect of which may compound over time. A schedule of the fees and charges you may incur in the operation of your account is provided after your account is opened.

COMPLAINT HANDLING

If you have a complaint regarding misconduct on the part of any employee of SAS we ask that you make a written or verbal complaint to our Designated Complaints Officer (DCO). We will send you an acknowledgement letter within 5 days of receiving your complaint. Within 90 days, we will send you a substantive response letter. If we take longer than 90 days we will advise you of the delay, the reasons why, and a new expected response date. You may contact the DCO at any time during this process to get an update on the status of your complaint. Contact the DCO at 412- 217 Queen Street West, Toronto, M5V0R2 or by telephone at 416-479-0612.

INVESTMENT PERFORMANCE BENCHMARKS

Investment benchmarks provide a broad measure of the return generated by specific asset classes or 'baskets' of securities over a given period. For a useful comparison, the benchmark chosen should closely match the characteristics of the portfolio being monitored. Some well known indexes are the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for U.S. stocks. Since our client's have many different portfolios and it is important to choose the right index as a comparison, Stephen Avenue will not provide investment performance benchmarks as part of our normal reporting to our clients.

ACCOUNT REPORTING

We will send you a trade confirmation in the mail or provide it electronically each time we execute a trade for your account. We will also provide you with a monthly statement for each calendar quarter (March, June, September and December) and for any month where there is a transaction in your account. Pursuant Investment Industry Regulatory Organization of Canada rules we are required to provide you on an annual basis a Fees/Compensation Report which summarizes the amounts we received to service your investment account over the past year and a Performance Report (so long as your account has been opened for a calendar year). Percentage return reporting is not an option that SAS provides. These will be provided in mid January.

DOCUMENTS PROVIDED

We will provide you with the following documents with respect to your account: the New Account Application Form (and any updated forms), Relationship Disclosure; Introducing and Carrying Broker Disclosure; Privacy Statement; Complaint Handling Summary; the Leverage Risk Disclosure Statement; the Service Charges and Fee schedule; Accounts and Services Agreement and Disclosures; CIPF Brochure; and An Investor's Guide to Making a Complaint. When you apply to trade Options you will be provided a copy of the Option Account Application and the Risk Disclosure Statement for Options and Futures.