# Relationship Disclosure Information




Updated June 2026

## 1. Introduction

In this relationship disclosure information document (the "RDI") we provide important information concerning the relationship between Focus Wealth Management ("Focus", the "Firm", "we", "our" or "us") and our clients ("clients" or "you").
Other important information you need to know about your relationship with us and the operation of your account is contained in your account opening documentation, which includes your investment management agreement or subscription agreement with us.

This information is current as of the date provided to you. Please note that we will post our most current version of this document at www.focuswealthmanagement.ca/disclosure-statement and inform you when a new update has been posted.

If you have any questions about this document, please contact us at:
200 King Street West
Suite 610
Toronto ON M5H 3T4 CAN
Phone: (416)815-1800

Alternatively, please contact your Focus adviser or dealing representative.

## 2. Who We Are

Focus is registered as a Portfolio Manager in the provinces of Québec, Alberta, British Columbia, Manitoba, Nova Scotia, Saskatchewan, and Ontario. Focus is also registered as an investment fund manager in the provinces of Ontario and Québec, and as an exempt market dealer in Alberta, British Columbia and Ontario. Focus' principal regulator is the OSC, and Focus may also apply to be registered in additional categories or jurisdictions in the future as its business dictates. Focus provides independent investment management services and exempt market dealer services to individuals, institutions, and other organizations. The principal regulator for Focus is the Ontario Securities Commission.

## 3. Our Products and Services

**Investment Management Services**: If you enter into an investment management agreement with us, we will manage your account in our sole discretion using the full discretionary authority that you will have granted us in the investment management agreement. This means that we will be able to make all investment decisions in your account, including purchases and sales, without obtaining your express consent for each such purchase and sale. We will, however, be required to operate the account in accordance with the investment management agreement and the contents of the investment policy statement that we develop for you based on the information you provide us. We will generally invest your portfolio into one of our investment strategies.

**Proprietary Funds and product selection:** While we are not limited to proprietary products, our business model includes the use and distribution of Focus-managed funds. As a result, we may have an incentive to select or recommend proprietary funds, including the Focus Fund, Focus International Equity Fund, Focus North American Equity Fund, Focus Fixed Income Fund, Focus Credit Opportunities Fund, Focus Tactical Equity Fund, Focus Private Debt Fund Limited Partnership and the Focus Infrastructure & Real Assets Fund Limited Partnership (the "Focus Funds"). Focus uses proprietary funds to provide clients with access and potential economies of scale. Investments in these funds are made in accordance with our suitability and conflicts of interest obligations (see Section 13). Focus and its affiliates may receive management or performance fees, or other benefits, from proprietary funds, which creates an incentive to select

these investments. We address this conflict by assessing suitability for each investment—considering risks, costs, liquidity, and other key characteristics—along with ongoing monitoring and our obligation to act in your best interest.

**Exempt Market Dealer services:** We may also act as an exempt market dealer in connection with distributions of the Focus Funds, to individuals and entities that qualify as "accredited investors" under securities laws or that otherwise qualify for an exemption from the prospectus requirements. Focus will only distribute securities to you where you qualify as an "accredited investor" under securities laws or otherwise qualify to purchase exempt market securities and where an investment in the securities is suitable for you based on the know-your-client information ("**KYC Information**") you provide us. Your investments will be recorded in your name with the issuer of the securities. Any Investment through us in our capacity as exempt market dealer may include additional risk and present a conflict of interest, please see our conflict of interest and our risk associated with investing disclosures below.

## 4. Suitability Assessment

As a portfolio manager and exempt market dealer, Focus has an obligation to take reasonable steps to ensure that, before it makes a recommendation to or accepts an instruction from you to buy or sell a security or takes any investment action, as applicable, the investment action is suitable for you. When making investment decisions or taking an investment action on your behalf, Focus is required to act in your best interest by putting your interests first when assessing suitability and addressing conflicts of interest.

To meet this suitability obligation, we collect "know-your-client" ("**KYC**") information from you at the time you open an account with us, such as: information about your personal circumstances, financial situation, investment goals and objectives, investment horizon, investment knowledge and experience, and make a determination regarding your risk profile, which includes your willingness to accept risk (risk tolerance) and ability to endure financial loss (risk capacity). In order to satisfy our obligation to assess suitability on an ongoing basis after you open your account, as applicable, we periodically update your KYC information and reassess your investments, including upon material changes or when taking an investment action. You are responsible for informing us of any such changes.

To meet our suitability obligation, we must also "know" and understand each investment we place you in. Through our "know-your-product" ("**KYP**") due diligence process, the firm analyzes every investment we place you in or recommend to you. Our KYP process is coordinated by the firm's advising representative(s), as applicable. Without limitation, as part of the firm's KYP process, we generally consider such things as the reputation and track record of the investment product, the potential for profit and loss, the associated risk level and potential for conflicts of interest, the investment's time horizon and complexity and the specific features of any investment, including costs and fees, liquidity, redemption rights and the frequency, completeness and accuracy of an issuer's disclosure. This process supports our obligation to ensure that the investments we select or recommend are appropriate for you.

Once we have collected your KYC information and we have conducted our KYP process, we can then use all of that information to determine whether or not an investment is suitable for you. Should there be any changes to your KYC information during the year, it is your responsibility to let us know as quickly as possible. All personal, confidential information we receive from you will be treated in accordance with our Privacy Policy, a copy of which is contained at Appendix A to this document.

## 5. Fees and Operating Expenses

For clients that have entered into an investment management agreement with Focus, we charge an annual management fee for the services provided under the investment management agreement as a percentage of the market value of the assets under management. Please see Schedule C of your investment management agreement for more information. Fees are expressed in annual rates. All fees are collected on a quarterly basis based on the market value of your portfolio as at the end of the relevant calendar quarter. No increase in the management fee shall be effective without prior written notification to you.

Where you invest in a Focus Fund, the fund will incur fees and expenses (such as management fees, performance fees and operating expenses). These costs are reflected in the value of the fund and are not charged to you directly but will reduce your investment returns.

In addition to our management fee, you may also incur certain charges imposed by unaffiliated third parties. Such charges may include, but are not limited to, fees charged by independent managers, custodial fees, brokerage commissions, transaction fees.

For clients where Focus acts as an exempt market dealer, we do not charge any fees for acting as an exempt market dealer. However, Focus may receive management fees and performance fees from the applicable Focus Fund which, along with the other operating and organizational expenses borne by that Focus Fund, will impact the net asset value of your investment. The fees and expenses applicable to the Focus Funds are disclosed in the applicable Focus Fund's offering memorandum. A copy of the offering memorandum applicable to the Focus Fund in which you invest will be provided to you along with the subscription agreement.

The Focus Funds require advance notice prior to a redemption, as disclosed in the offering documentation of such funds, and may only be redeemed on certain dates. Redemptions may be limited or suspended in certain circumstances as disclosed in the offering documents of the applicable Focus Funds. The Focus Funds distributed by Focus in its capacity as exempt market dealer are not intended as short-term investments. Therefore, such Focus Funds may charge a 3% short-term trading redemption charge, based on the net asset value of the redeemed units, to any unitholder who redeems units within the first three months of the purchase of such units. Furthermore, if unitholders submit notices to redeem more than 25% of the net asset value of such Focus Funds in aggregate in any given month then their individual redemptions will be prorated to limit the total amount redeemed to 25%, as disclosed in the applicable Focus Fund offering documents. Units of the Focus Funds cannot be resold except in compliance with a prospectus exemption and subject to the requirements of the governing documents of the Focus Fund.

Investors should note that the payment of fees and expenses in an investment account effects the return that could otherwise be earned on an investment due to compounding of returns. Compounding of returns is a process by which returns are earned on the principal balance in an account. If these returns are retained and reinvested into the principal balance of the account, it thereby generates incremental returns on the prior returns generated in the account. That is, compounding refers to generating earnings on previous earnings. The effect of paying fees in a client account (or the impact of fees and expenses charged to a Focus Fund) is to reduce the principal balance of the account (or net asset value of the investment in the Focus Fund). Therefore, the effect of paying fees is the cost of the fees themselves in addition to the fact that there is less principal in the account subject to the effects of compounding returns in the future.

## 6. Related and Connected Entities

The word "connected" is intended to involve a state of indebtedness to, or other relationship with,

Focus or those “related” to Focus that, in connection with a distribution of securities, would be material to a purchaser of the securities; and (ii) the word “related” is intended to involve positions permitting, through
ownership or otherwise, a controlling influence, and would include all companies under a common controlling influence. All of the Focus Funds are related and/or connected issuers of Focus. As a result, investments in these funds may give rise to a conflict of interest because Focus or its affiliates may benefit from these investments. Please see Section 13 for more information.

## 7. Custody of Your Assets

We will only act as your portfolio manager if you have established a custodian account for the safekeeping of your investment portfolio. Focus has an agreement with National Bank Independent Network (“NBIN”) as the preferred custodian for our clients. If you have granted us discretionary authority to act as your portfolio manager of assets on your account with NBIN pursuant to an investment management agreement the following applies to you:

> Focus and National Bank Independent Network (“NBIN”), a division of National Bank Financial (“NBF”) have entered into a Portfolio Manager Services Agreement (the “PM Services Agreement”) pursuant to which NBIN has agreed to provide certain services including: (i) establishing and servicing an account in your name (the “account”); and (ii) providing certain administrative services in connection with the account; and (iii) executing trades for your account. NBF holds your assets in the account as custodian. Under the PM Services Agreement, Focus is responsible for providing NBIN with all instructions related to securities transactions to be executed for the account, ensuring such transactions are suitable for you and for complying with all applicable “know your client”, “know your product” and anti-money laundering obligations (the “Arrangement”).
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> The Arrangement with NBIN is intended to enhance the protection of client assets since NBIN is a qualified custodian that is functionally independent from Focus. Although Focus will monitor the services performed by NBIN and believes that they are an appropriate custodian, in the event of the bankruptcy or insolvency of NBIN, there is no certainty that you will not incur losses due to your assets being unavailable for a period of time, the ultimate receipt of less than full recovery of your assets, or both. You will only pay custody fees on assets held in an account at NBIN that are not directly invested in the Focus Funds or any other exempt investment as detailed by NBIN in the PM Services Agreement.
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> With the exception of certain standing instructions we may collect from you, we do not hold or have access to your assets. Any agreed upon management fees charged by us are payable directly from your account.

The assets in the account will be held by NBF at its office in Toronto.

Focus, in its capacity as an exempt market dealer, does not hold client assets. Any subscription proceeds received from a client are deposited into a designated account in the name of the applicable Focus Fund at NBIN in Toronto, Ontario (which is a “qualified custodian” for the purposes of applicable securities laws) pending the subscription being processed and redemption and distribution monies move directly from such account to the receiving unitholder. No certificates are issued for Units of the Focus Funds. Units of a Focus Fund held by a client will be recorded in the registers of the applicable Focus Fund in the name of the client.
The assets of each Focus Fund are subject to the custody arrangements applicable to the Focus Fund and disclosed in the offering memorandum of the Focus Fund. NBIN is the custodian for the Focus Funds. As noted above, the arrangement with NBIN is intended to enhance the protection of client assets since NBIN is a qualified custodian that is functionally independent from Focus.

Each Focus Fund's assets will be held in one or more accounts maintained for the Focus Fund by NBIN or in some cases at other brokers (including foreign brokers, where required to trade in securities that best meet the investment objective of the Focus Fund).

If a Focus Fund strategy involves the use of margin, short sales (requiring us to borrow securities), derivatives in which leverage is utilized and other forms of borrowing, the prime brokers and counterparties providing those services will hold portfolio assets as collateral or security. In many cases the broker retains the right to use those portfolio assets for their own purposes (such as securities lending).

Such brokers and counterparties are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Focus Fund's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any sub-custodians, agents or affiliates, it is impossible to generalize about the effect of their insolvency on the Focus Fund and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in the loss of all or a substantial portion of the Focus Fund's assets held by or through such prime broker and/or the delay in the payment of withdrawal proceeds.

## 8. Your account Statements and Reports

***Trade Confirmations***

For clients for whom we act as exempt market dealer in connection with a purchase or sale of a security, we will promptly deliver to you or cause our service provider to deliver to you (or to a registered adviser acting on your behalf, if you so request) a written confirmation setting out the particulars of the transaction, including, among other information, the quantity and description of the security purchased or sold, the price per security paid or received, and any commission, sales charge, service charge or other amount charged in respect of the transaction.

***Account Statements***

For discretionary account clients, NBIN will provide you with monthly reports in respect of your account. The reports will contain transaction information covering each transaction that was made in the account during the relevant period and a description of the assets held in the account, as required by applicable law. Both Focus and NBIN are responsible for ensuring that the information in the statements you receive from NBIN is complete and accurate. Focus will provide you with an annual report on charges and other compensation, and an annual investment performance report, as applicable.

Focus will provide exempt market dealer clients with account statements upon request.

Among other information, the statements that Focus will provide to clients will contain:

- information about each transaction conducted during the time period covered by the statement (including the date of the transaction, whether the transaction was a purchase, sale or transfer, the name of the security, the number of securities, the price per security and the total value of the transaction), and

- information about each security held, and the cash balance, in the account at the end of the time period covered by the statement (including the name and quantity of each security in the account, the market value of each security in the account, the total market value of each security position in the account, and the total market value of all cash and securities in the

account).

Focus will provide you with an annual report on any charges that you paid to Focus as well as any other compensation that Focus received in connection with operating your account. Focus will also provide you with a report, at least annually, on the investment performance of each of your Focus accounts or, with your consent, all of your accounts on a consolidated basis. Focus may not, and is not obligated, to provide such a report to any client who is a "permitted client" as defined in Canadian securities regulations and who is not an individual.

## 9. Risks Associated with Investing

All investments, apart from certain "guaranteed" investment products, are subject to fluctuations in value and risk of loss and, unlike bank accounts or guaranteed investment certificates, the value of stocks, bonds, money market securities and investment funds is not covered by the Canada Deposit Insurance Corporation or other government deposit insurer. Before finalizing an investment policy statement for your Focus-managed account(s) or making a decision to invest in a Focus Fund, carefully consider your investment goals, your level of risk tolerance and the risks associated with the type of securities that Focus might recommend to you or purchase for your account. The following are risks that might affect your investments.

- **General market risk –** the risk that the performance of or outlook for an industry, sector, region, or country or the general economic, social or political climate might negatively impact securities in general.
- **Interest rate risk** – the risk that a change in interest rates will have a negative effect on the value of fixed income securities or the securities of entities highly affected by interest rate levels.
- **Currency risk** – the risk that a security denominated in a currency other than Canadian dollars will be adversely impacted by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.
- **Inflation risk** - risk of decline in the purchasing power of the client's savings due to a general rise in prices.
- **Security risk –** the risk that the issuer of a security will not meet its business, financial and other goals and that this will have a negative effect on the value of the issuer's securities.
- **Default risk** – the risk that the issuer of a security will be unable to pay the interest, dividends or other payments owed to you and the associated risk that the market value of the security will be negatively affected as the possibility of a default increases.
- **Foreign market risk** – the risk of heightened volatility in the price of a security and/or a heightened possibility of financial loss as a result of the security being issued in or subject to the laws of a foreign jurisdiction.
- **Concentration risk –** the risk that focussing security holdings in a particular issuer, group of issuers, industry, sector, country or region or to produce a particular impact will entail more market value volatility and a greater risk of financial loss than if security holdings were more diversified.
- **Derivative risk –** the risk that the counterparty to a derivative contract will not meet its obligations.
- **Liquidity risk** – the risk that a security can not readily be converted into cash when required. The Focus Funds may require advance notice prior to a redemption and in certain cases redemptions may be suspended, as disclosed in the offering documentation of the applicable Focus Fund.
- **Valuation risk** – certain investments, particularly private or less liquid securities, may not have readily available market values and may be valued using estimates or models.
- **Leverage and borrowing risk** – certain investment strategies may use leverage, derivatives or borrowing, which can amplify gains and losses and increase overall risk.

- **Exempt market risk** – securities offered in the exempt market are subject to fewer disclosure requirements and may involve greater risk, including reduced liquidity and limited ongoing information.

A description of the risks associated with a Focus Fund that Focus may distribute to you as exempt market dealer or that Focus may invest your account in, including the risks associated with investing in the exempt market generally, is included in the offering documentation associated with that fund. Please see the risk factor section of the applicable Focus Fund offering document for an expansive list of risks you should consider before investing.

## 10. Using Borrowed Money to Purchase Securities

Securities may be purchased using available cash or a combination of available cash and borrowed money. If available cash is used to pay for the securities in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities purchased. However, using borrowed money to purchase securities can magnify the gain or loss on the cash invested. This is called leveraging.

The use of leverage is not suitable for all investors. If you are considering borrowing money to make investments or considering providing us with borrowed money to make investments on your behalf, please be advised that a leveraged purchase involves greater risk than a purchase using available cash resources only. You need to consider carefully to what extent a leveraged purchase may create undue risk based on your personal circumstances, your risk tolerance and return objectives before borrowing money. If you borrow 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.

## 11. Use of Benchmarks

When evaluating the performance of an investment, it may be useful to compare the performance against an appropriate benchmark to make an informed assessment of an investment account's performance based on its investment strategy.

Generally, broad market and market-segment stock and bond indices are best used for this purpose as they are well-known by investors, however, it is important to note that some of these indices may be poor comparisons to a well-managed, diversified portfolio. For instance, the S&P/TSX Composite Index is typically dominated by three sectors – energy, materials and financials, which can account for more than two-thirds of the index. It is also important to note that most benchmarks do not include the management fee or transaction costs, and do not account for cash drag on the portfolio. Focus does not generally compare returns of its clients to a specific benchmark unless the client incorporates such a request in their mandate.

Benchmark returns do not reflect the fees, expenses, taxes or individual portfolio considerations that apply to your account and therefore are not directly comparable to your account performance.

The following benchmarks may be provided to clients as part of their review package for information purposes only.

- The RBC Broad Bond Index is a broad measure of the Canadian investment-grade fixed income market, weighted by market capitalization.
- The S&P/TSX Composite Index is a widely known equity index of Canadian publicly traded, large-capitalization companies.
- The S&P 500 Index is a widely known equity index of the 500 leading publicly traded, large-capitalization companies in the US stock market.

- The Canadian and United States Consumer Price Index are measures for each respective country that examines the weighted average of prices of a basket of consumer goods and services to asses price changes associated with the cost of living.

Focus does not intend to make benchmark information available to clients in connection with the assessment of the performance of the Focus Funds.

## 12. Your Privacy

Focus has established protocols to prevent the loss of, unauthorized access to or disclosure of personal and/or confidential information that Focus collects about its clients. "Personal information" is defined in Canadian law as information about an identifiable individual and includes, but is not limited to, race, national or ethnic origin, religion, age, marital status, medical, education or employment history, financial information, DNA, social insurance number and driver's license number. Please see Appendix A for Focus's privacy disclosure.

## 13. Conflicts of Interest

Under applicable Canadian securities laws, we are required to address and manage existing, as well as reasonably foreseeable, material conflicts in the best interests of our clients. A conflict of interest can include any circumstance where:

a) the interests of different parties, such as the interests of the firm and those of a client, are inconsistent or divergent;
b) the firm or one of its registered representatives may be influenced to put their interests ahead of a client's interests; or
c) monetary or non-monetary benefits available to the firm or a registered representative, or potential detriments to which they may be subject, may compromise the trust that a reasonable client has in the firm or the individual.

Whether a conflict is "material" depends on the circumstances. In assessing materiality, we consider whether the conflict could reasonably be expected to influence the decisions of a client or the recommendations or actions of the firm or its representatives.

The following outlines the material conflicts of interest we have identified. Additional conflicts may arise from time to time, and we will disclose their nature and extent to you in a timely manner, prior to providing advice or executing transactions where required.

Conflicts may arise in connection with the products and services we offer. Focus may recommend, distribute, or invest client or fund assets in proprietary funds or in securities of issuers that are related or connected to Focus or to its registered individuals, directors, or officers. These relationships may include board, ownership, or other business relationships.

As a result, Focus or related persons may receive fees or other benefits, or otherwise have an incentive to favour these investments over alternatives, which may affect the investments selected for your account. We address these conflicts by applying our regulatory obligations, including suitability assessments, disclosure, supervision, recusal, and other controls, as described below.

### 1. Proprietary Products and Connected Issuers

For the purposes of this summary, (i) the word "connected" is intended to involve a state of indebtedness to, or other relationship with, the registrant or those "related" to the registrant that, in connection with a distribution of securities, would be material to a purchaser of the securities; and (ii) the word "related" is intended to involve positions permitting, through ownership or

otherwise, a controlling influence, and would include all companies under a common controlling influence.

Focus's business model includes managing certain proprietary funds including the Focus Fund, Focus International Equity Fund, Focus North American Equity Fund, Focus Fixed Income Fund, Focus Credit Opportunities Fund, Focus Tactical Equity Fund, Focus Private Debt Fund Limited Partnership and the Focus Infrastructure & Real Assets Fund Limited Partnership (the "**Focus Funds**"). The Focus Funds are connected issuers to Focus because the Firm established the Focus Funds and acts as their portfolio manager and investment fund manager and may receive management fees and performance fees from certain Focus Funds. Focus may also, from time to time, recommend, invest in, or distribute securities of issuers that are related or connected to Focus or to its registered individuals, directors or officers. These relationships may arise through ownership interests, board or governance roles, or other business relationships that may influence, or appear to influence, investment decisions.

As a portfolio manager and exempt market dealer, Focus may, with respect to securities of related and/or connected issuers, exercise discretionary authority to buy or sell these securities for client accounts; make recommendations regarding these securities to clients; and distribute securities of the Focus Funds to clients. Prior to doing so, Focus is required to provide clients with disclosure of the nature and extent of its relationship with such issuers. Our current business model, as an exempt market dealer, involves the distribution of proprietary products only.

Regulators have noted that where a registered firm distributes securities of connected/related issuers, a material conflict of interest exists because Focus may have an incentive to recommend the Focus Funds to its clients over other third-party funds that do not provide similar incentives. Focus may also be incented to fail to disclose or provide inadequate disclosure to investors about the Focus Funds in cases where there is negative information (for example, where a company owned by one of the Focus Funds is experiencing financial difficulty), resulting in investors taking on more risk than they could, or wish to, bear. Focus takes the following steps to mitigate the actual and potential conflicts of interest described above:

- Advising and dealing representatives at Focus are not directly compensated for recommending any specific products to their clients, including the Focus Funds or any other related or connected issuer investments.
- On an ongoing basis, Focus reviews comparable investment products, including relevant features, risks, liquidity and costs, to help assess whether the Focus Funds and any other related or connected issuer investments remain appropriate for the client types for whom they are used.
- Focus has policies and procedures in place to ensure that its representatives conduct a suitability analysis before purchasing the Focus Funds or any other related or connected issuer investment in a managed account or for an exempt market dealer client. This suitability analysis ensures that the relevant investment is appropriate for that client.
- In conducting its suitability analysis for a client, each representative of Focus will have a thorough understanding of: (i) the structure and features of the Focus Funds or any other related or connected issuer investment; and (ii) amongst other client information, the personal and financial circumstances of that relevant client.
- Focus has retained independent legal and regulatory counsel to provide ongoing training regarding a representative's suitability obligations when investing client assets into the Focus Funds or any other related or connected issuer investments.
- Focus applies its obligation to address material conflicts in the best interest of clients when selecting, recommending or investing in proprietary products or other related or connected issuer investments.

Where appropriate, Focus may also require additional controls before investing in certain related or connected issuer investments, including independent valuation or verification processes and clearly defined procedures for subscriptions, redemptions and expense allocation.

In addition, disclosure concerning specific related and connected issuers is provided, and any necessary client consent is obtained, in Focus' account opening documentation, including the investment management agreement entered into by Focus and its portfolio management clients, and the offering and subscription documentation provided to clients to whom Focus distributes securities as exempt market dealer.

### *2. Internal Compensation Arrangements*

Focus's employees may be perceived as incentivized to recommend certain products or services over others. Specifically, Focus employees could be perceived as motivated by the Firm to encourage the purchase of any of the Focus Funds or other related or connected issuer investments.

Focus takes the following steps to mitigate the actual and potential conflicts of interest described above:

- Employees are not compensated based on the sale of certain products or services. Compensation is based on a fixed annual salary with bonuses that relate to the overall success of the firm. Registered individuals are not offered any incentives to recommend any product or service over other alternatives.

- The Chief Compliance Officer reviews client files and suitability recommendations of registered Focus employees from time to time. Focus employees understand that any variable bonus compensation could be affected if suitability issues are found during these reviews.

### *3. Conflicts at the Supervisory Level*

One of the mitigation tools that Focus uses to control for the compensation conflicts of its employees (see Item 2 above) is a Chief Compliance Officer review of suitability recommendations. However, it may be perceived that the Chief Compliance Officer himself could be conflicted during these reviews in that he also may receive variable bonus compensation. To address this conflict, Focus has structured the compensation of its Chief Compliance Officer such that no portion is tied to the sales or revenue generation of the firm or of an individual staff member that is supervised.

### *4. Fee Based Accounts*

Focus could be conflicted where it holds commissioned based securities in fee-based accounts. Specifically, it could be perceived that Focus is obtaining dual compensation in that it is earning any fees associated with the management of the account while also recommending securities that drive additional compensation to Focus. This is sometimes referred as "double charging" the client. However, as Focus does not charge a fund management fee for any of its Focus Funds invested through a fee based account, Focus will never "double charge" a client.

### *5. Outside Activities*

Focus's registered individuals may engage in outside activities (e.g., sitting on board or volunteer roles), which may limit the time available for their responsibilities at Focus and create conflicts in fulfilling obligations to Focus and its clients.

Conflicts may also arise where a registered individual, director, or officer serves on the board of an issuer whose securities are recommended, distributed, or purchased by Focus. All outside activities must be reported to and approved by the Chief Compliance Officer, who assesses potential conflicts with Focus's operations and obligations. Where approved, Focus applies

appropriate controls, which may include:

- requiring the individual to recuse themselves from issuer board discussions or decisions that involve Focus, its clients, or any companies or investments with which Focus is involved;
- requiring the individual to recuse themselves from discussions or decisions at Focus that involve that issuer or its product offering;
- establishing and maintaining ethical walls where appropriate between the individual and other Focus employees to avoid actual or potential conflicts of interest; and
- requiring the individual to resign from the outside board role if material conflicts of interest arising from that role cannot be addressed in the best interest of Focus's clients.

### *6. Best Execution*

Focus may hire a brokerage firm to execute trades on behalf of the Focus Funds, or segregated client accounts, based on a pre-existing relationship, rather than objective qualitative or quantitative considerations. This is considered a best execution conflict of interest.

Focus has policies and procedures to ensure that when Focus directs brokerage transactions to brokers, the service is comparable to that which Focus may obtain from other brokers and the commission rates are equivalent to or better than those that would have been normally charged by the broker. Focus monitors the level of service provided by any broker retained to execute trades on behalf of Focus-managed accounts with respect to the cost and execution of trades.

### 7. Fair Allocation of Investment Opportunities

Focus manages both pooled funds and segregated client accounts (collectively referred to as "**Accounts**" or individually as an "**Account**"). It is Focus' policy to ensure that it deals fairly, honestly and in good faith when allocating investment opportunities (which includes securities traded on public exchanges, private equity issues or participation in an initial public offering) across all Accounts so that no single Account or type of Account will receive preference in the allocation of investment opportunities.

The principal determination when allocating investment opportunities among client Accounts is the suitability of the transaction given each client's particular investment mandate. When transactions are completed that will affect more than one Account they will be bulked together and executed as one block trade. Once the block trade is completed or partially completed if the order needs to be executed over more than one trading day, each Account will be given its pro-rata share of the order so that all Accounts transact at the same price and pay the same rate of commission. If a block trade is completed using more than one Dealer, which results in materially different prices and/or different commission rates, then Accounts will be allocated their pro-rata share from each of the separate trades.

Where it is not possible to apply a rigid pro-rata formula when allocating a partially filled block order (for example, if the Dealer is only able to complete a very small portion of the total order) then other criteria will be considered in an attempt to ensure the allocations are fair and reasonable. Such considerations may include: the proportion of the portfolio that the traded security represents, the overall weighting of the asset class or industry sector for the traded security in the Account, the cash reserve position of the Account or the target weighting for the security in relation to the total size of the Account. If, for any reason, an investment opportunity cannot be allocated using a pro-rata formula that can be applied to all participating Accounts then every effort will be made to address trading inequities at the next opportunity so that every Account will, over time, receive equitable treatment in the allocation of investment opportunities.

When completing pro-rata allocations, any segregated Accounts that are managed solely for the benefit of an employee of Focus, or an immediate family member, will be filled only after all other

Accounts receive their full allocation.

**8. Personal Trading**

Focus employees trade in the same securities as our clients. While some employees invest directly in the Focus Funds, others hold securities in Accounts that are segregated and therefore trades will be executed in the same individual securities held by our clients. Where this is the case, every attempt is made to have employees trade right alongside clients so that all Accounts are treated fairly.

Focus has created a personal trading policy that employees must adhere to when executing orders for any accounts where they, or an immediate family member, are a beneficial owner or where the employee influences control over the account. The policy has procedures in place that require pre-clearance for all trades and enforce a blackout period where trading is prohibited under certain circumstances. Employees are also obligated to attest on an annual basis to a full and complete list of all accounts that would be subject to this policy.

**9. Gifts and Entertainment**

While it is recognized that conducting business may involve some modest exchange of gifts and business-related entertainment, the value of such gifts and entertainment must not create a real or perceived conflict of interest and must not impair the independence or objectivity of the recipient.

Focus has policies and procedures in place with respect to the receipt or giving of gifts and/or entertainment. These policies and procedures require employees to contact the Chief Compliance Officer with any concerns about the receipt or giving of a gift or entertainment and whether that may create a conflict of interest. Further, employees are required to notify the Chief Compliance Officer upon receipt of a gift or entertainment in excess of $100 (on an individual basis).

## 14. Our Complaint Handling Process

We are committed to handling your complaint fairly, honestly and in a timely manner. If you have a complaint, we will make every reasonable effort to deal with it to your satisfaction. You may make your complaint orally or in writing. However, we request that you make your complaint in writing and provide as many relevant details as possible. Please see Appendix B for our complaint process.

**If you are a resident of Quebec:** Your independent service will be the Autorité des marchés financiers (the "**AMF**"). For more information about the AMF, please visit lautorite.qc.ca. You can contact the AMF via telephone toll-free at 1-877-525-0337.

## 15. Your Protection as an Investor

Focus carries financial institution bond insurance in the amounts prescribed under *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations* against various losses including but not limited to employee dishonesty, forgery, theft and other fraudulent means. This insurance does not protect against losses resulting from changes in the market value of your investments.

If your assets are held by a custodian, there may be additional coverage protecting your assets. Please consult your custodian(s) directly for additional information.

## 16. Your Role in Our Relationship

It is important that you participate actively in our relationship. We encourage you to:

- provide us with full and accurate information about your financial situation, investment objectives, risk profile, time horizon and other information relevant to assisting you to meet your investment goals and promptly inform us of any material changes to that information that could result in a change in our assessment of the types of investments suitable for you
- carefully review the information in your account opening documentation and any other information provided to you in relation to your account and ask us any question you have about the information
- carefully review all account statements and reports you receive from Focus and your custodian(s) and promptly contact us to discuss and resolve any discrepancies between them and your own records
- consult professionals, such as a lawyer or an accountant for legal or tax advice where appropriate and
- ensure that you understand the information contained in this document by reading it carefully and asking questions of Focus or your Focus adviser if you need any clarification of your relationship with Focus or any individual acting on Focus's behalf.

# Appendix A
# Privacy Policy

Focus Wealth Management ("Focus") is committed to providing clients with a **a high level of** service **and protecting the privacy and confidentiality of the personal information entrusted to us**. We understand how important it is to you, as our client, that we protect your privacy and the confidentiality of the personal information that you have entrusted to us.

As part of our commitment to you, we have established policies regarding the collection, use, disclosure and protection of your personal information. The points below outline what information we have, why we need it and how it is used, shared and protected. We also outline what rights you have with respect to your own privacy.

## Privacy Policy

### What Personal Information Does Focus Have and Why do We Need It?

Personal information refers to information that identifies you. It is primarily collected when you establish your relationship with Focus through the account opening process; however, we may request updates as your circumstances change.

For a personal account, this information may include your name, address, contact information, date of birth, occupation, marital status, social insurance number, financial information, investment experience, risk tolerance, and intended use of your account. We are also required to review certain government-issued identification to comply with anti-money laundering requirements.

For corporate, trust, estate, and other non-personal accounts, we collect personal information about all individuals authorized to provide instructions and all beneficial owners. We may also review original or notarized documentation confirming the existence of the entity.
We collect this information to verify your identity, meet legal and regulatory requirements, and protect you and us from error and fraud. It also enables us to provide you with appropriate services.

### How Do We Obtain Your Personal Information?

We collect personal information directly from you or from your authorized representative with your consent.

You may choose not to provide certain information; however, this may prevent Focus from opening or maintaining your account or providing services.

### How Is Your Personal Information Used?

Your personal information is used to:

- identify you
- open and administer your accounts
- execute transactions
- provide account statements, tax reporting, and other account-related information

It is also used for internal business operations and to fulfill our legal and regulatory obligations.

## With Whom is Your Personal Information Shared?

Protecting your confidentiality is a fundamental principle of Focus. We do not sell or distribute your personal information.

We may share your information with:

- **Service providers** retained to support our operations (e.g., recordkeeping, storage, reporting). They receive only the information necessary to perform their services and are required to protect its confidentiality and use it solely for those purposes.
- **Your financial advisors**, where you have provided written consent
- **Regulatory authorities**, including (but not limited to) provincial securities regulators and the Canada Revenue Agency
- **Other parties,** where permitted or required by law, including in response to legal processes (e.g., court orders or subpoenas), or in connection with audits or the protection of our legal rights involving our accountants, auditors, agents, and legal advisors

## Where is your Personal Information Kept and For How Long?

Your personal information may be stored in electronic or paper format at the offices of Focus or its third-party service providers, including secure off-site storage facilities.

We retain personal information for as long as necessary to service your account and to comply with legal and regulatory recordkeeping requirements, including after your relationship with us ends.

## How Is Your Information Protected?

Client confidentiality and privacy are fundamental to the way we conduct our business. Our internal code of ethics requires all employees to maintain client confidentiality and to annually certify their compliance.

We maintain policies, procedures, and safeguards designed to protect your personal information. Access is limited to employees and service providers who require it to perform their duties. Safeguards include physical security measures, system access controls, and confidentiality obligations.

## What Privacy Rights Do You Have?

Upon request, we will provide you with access to your personal information. Where applicable, we may also provide a list of third parties to whom your information has been disclosed.

We encourage you to review information provided by us or our service providers and notify us of any inaccuracies so we can update your records.

You may withdraw your consent to the use of your personal information by notifying Focus in writing. Legal and regulatory requirements may limit your ability to withdraw consent. Withdrawal may also affect our ability to maintain your account or provide services.

If you have any questions or concerns regarding this policy, you may contact the Privacy Officer in writing at:

Focus Wealth Management
200 King Street West, Suite 610
Box 69
Toronto, Ontario M5H 3T4

**Appendix B**
**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

200 King Street West
Suite 610
Toronto ON M5H 3T4 CAN
Phone: (416)815-1800

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 5 business days of receiving your complaint.

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

**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.

### 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

an 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 for 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.

**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 made your 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 our firm. 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 your complaint to us within 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.

**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

# AMF Complaint Process for Québec Clients

If you are a Québec client and have a complaint about a Focus product or service, contact us at:

200 King Street West, Suite 610
Toronto, ON M5H 3T4 CAN
Phone: (416) 815-1800

**Please tell us:**

- what happened;
- when it happened; and
- what you would like us to do

**What happens next**

1. Acknowledgement: We will acknowledge your complaint in writing within 10 days.

2. Review: We will review your complaint and may ask for more information.

3. Final response: We will normally provide a written final response within 60 days.

4. Extension: If the complaint is complex, we may extend the response period by up to 30 days. We will notify you in writing.

**Help us review your complaint**

- Submit the complaint as soon as possible.
- Reply promptly if we request information.
- Keep relevant letters, emails and notes.

**Requesting AMF review**

If you are not satisfied with our response or how we handled your complaint, you may ask us to send your complaint file to the Autorité des marchés financiers (AMF). We will send it to the AMF within 15 days of your request.

Some complaints may follow a simplified process if they can be resolved to your satisfaction within 20 days. If the complaint is not resolved, the regular process above will continue.