

RELATIONSHIP DISCLOSURE INFORMATION

INFORMATION ABOUT
YOUR RELATIONSHIP
WITH



PRIVATE
CAPITAL
INC.

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CPC and the Products and Services CPC Offers

CareVest® Private Capital Inc. (“CPC”) (formerly CVC Market Point Inc.) is an exempt market dealer (“EMD”) registered with the Alberta Securities Commission and the British Columbia Securities Commission, providing investment opportunities in certain exempt market securities to qualified investors. All of the products offered by CPC are exempt market securities, which means there are restrictions on your ability to liquidate or resell these securities and they are offered without the issuer having to file a prospectus or having the material reviewed by a securities regulator. Investors must qualify under a specific exemption in order to be eligible to purchase exempt market securities. CPC’s dealing representatives (“DRs”) are available to discuss exemptions, applicable individual investment limits and assess whether you qualify to invest in the exempt market securities offered by CPC.

CPC is a captive dealer that exclusively offers “proprietary products”, including issuers that are related and connected to CPC through common securityholders and/or issuers managed by CareVest® Management Corp. (“CMC”), an affiliated investment fund manager and restricted portfolio manager.

At this time, CPC is not offering any proprietary products. The following is a list of proprietary products formerly offered by CPC. Refer to “Conflicts of Interest” below for further details and a description of the nature of these relationships.

Former Issuer / Proprietary Product	Nature of the Relationship with CPC
CareVest® Capital Inc.	Related and connected issuer of CPC, sharing common securityholders
CareVest® Core Mortgage Investment Corporation (formerly Giavest™ Capital Mortgage Investment Corporation)	Related and connected issuer of CPC, sharing common securityholders and managed by CareVest® Management Corp., an investment fund manager and restricted portfolio manager that is an affiliate of CPC

From time to time, CPC’s DRs may be involved in an activity or offer products and services that are unrelated to the business of CPC and are carried on outside of CPC. These are referred to as “Outside Activities”. Refer to “Conflicts of Interest – Outside Activities” below for a list of pre-approved Outside Activities that CPC’s DRs are engaged in and important disclosure about those activities that are outside of their registration with CPC.

CPC’s Role

CPC will generally only act as your dealer for your purchase of exempt market securities. Following your purchase, all product updates, administrative and investor relations enquiries will be handled directly by the issuer or the investment fund manager. CPC will provide you with the contact information for the issuer or the investment fund manager in writing prior to any purchase you make through CPC.

For each initial purchase, CPC will collect personal information from you by having you complete a Know Your Client (“KYC”) Form, including but not limited to, your specific investment needs and objectives, risk profile, time horizon, investment knowledge, financial circumstances, personal circumstances and personal identification, and will use this information to verify your identity, verify that you qualify to use a prospectus exemption and make a determination about whether the purchase is suitable for you. As an EMD, CPC is obligated to make this suitability determination for each purchase you make through CPC and CPC must determine that any investment action it takes, recommends or decides on for you is suitable for you and puts your interests first, so it is important that you provide full and accurate information to your DR. CPC will provide you with a signed copy of the KYC Form for your records.

Because CPC exclusively offers a limited number of proprietary products as described above, the suitability determination by CPC and its DRs 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. CPC’s DRs can only provide information regarding the products that CPC offers and cannot provide you with advice on other investments or asset classes that may be beneficial for you to invest in. Should you wish for advice or information about other securities, you will need to seek out a different registered firm.

CPC will review with you and update your KYC information, if required, for each subsequent purchase you make through CPC and a new KYC form will be collected if the KYC form was completed more than twelve months earlier or if there has been a material change in your information, such as a change in your investment objectives, financial circumstances, risk profile, marital status, employment status or other circumstances. It is important for you to keep your information current with CPC and CPC encourages you to contact your DR if any of your information has changed.

CPC will generally only act as your dealer in connection with the purchase of exempt market securities, and will not act as your dealer, make recommendations, accept instructions from you or make a suitability determination in connection with any sale, redemption, retraction or purchase of additional securities by way of a dividend reinvestment. For information relating to any sale, redemption, retraction or purchase of additional securities by way of a dividend reinvestment, please contact the issuer or the investment fund manager directly.

Trusted Contact Person

CPC is required to ask individuals to provide the name and contact information of a Trusted Contact Person ("TCP") when CPC collects KYC information from you and to collect consent for the circumstances CPC may contact your self-appointed TCP.

Your self-appointed TCP is someone to assist CPC in protecting your investments. Your TCP should be an individual you trust, who will be comfortable speaking with CPC about your personal situation and who does not have an interest in your investments or assets and is not involved in making financial decisions with respect to your investments. Your TCP is essentially an "emergency contact" and does not have authority to make any decisions on your behalf or make changes to your investments. You should let your TCP know that you have named them as your TCP and provide an overview of what this means.

CPC will only contact your TCP with your consent to confirm or make inquiries about any of the following:

- Possible financial exploitation affecting you or your investment
- Concerns about your mental capacity as it relates to financial decision making
- Your current contact information if CPC is unsuccessful in contacting you after repeated attempts and where failure to contact you would be unusual
- The identity of any legal guardian, executor, trustee or other personal or legal representative

It is important for you to keep your TCP information current with CPC and CPC encourages you to contact your DR if any of your TCP information has changed. You may withdraw your consent for CPC to contact your TCP or you may change your TCP by contacting your DR for instructions.

Where Your Investments are Held

CPC will not open any type of account for you or agree to hold, have access to, or maintain knowledge of your cash or securities at any time, other than delivering your cheque payable to a third-party in respect of your purchase in certain circumstances. **CPC does not accept cash or cheques payable to CPC, and will only accept cheques payable directly to the exempt product you are purchasing.** CPC and its DRs also will not act as your personal agent or attorney respecting your cash or securities at any time.

Exempt market securities you purchase through CPC will either be held in "client-name" or "nominee-name", as explained below. Talk to your DR to understand more about the product you are purchasing and where your investment will be held, or refer to your client reporting from CPC for additional information.

Client-name securities are securities issued in your name, they are not held in an account and you are both the registered and beneficial securityholder. You may or may not receive a physical certificate representing your ownership of the security from the issuer, because the issuer may retain original certificates in its minute book and provide you with a copy, or the issuer may use an electronic registry system to record your name as the securityholder in the issuer's books and records.

If you are issued a physical certificate representing your investment, you will be required to safeguard and present the physical certificate to the issuer to facilitate any dealings with your investment and you may be charged a fee and/or be required to provide a surety bond and an indemnity to the issuer in order to replace a lost, stolen or destroyed certificate. If you participate in a dividend reinvestment plan of an issuer that issues physical certificates, you may be issued additional certificates as your dividends are reinvested to purchase additional securities, resulting in multiple certificates for you to safeguard.

You may choose to not have the physical certificate(s) in your possession, and have the issuer instead maintain electronic records or provide you with a copy of your certificate(s). There is no custodian if you are holding client name securities, and there may not be a third-party transfer agent responsible for maintaining the books and records of the registered securityholders in which case you will be relying on the record-keeping of the issuer.

If you hold MICs managed by CareVest® Management Corp. (“CMC”), there is no independent transfer agent or qualified custodian holding the MIC’s investments in mortgages. Title to the mortgage investments of the MIC is commonly held in the name of an affiliated mortgage broker in trust for the MIC, as set out in further detail in the MIC’s Offering Memorandum. Although CPC offers products of related and connected issuers and shares common securityholders with CMC, MICs managed by CMC and the mortgage broker holding title to the MIC’s mortgage investments, CPC does not have access to your assets invested in the MICs and is functionally independent from the mortgage broker holding title to the MIC’s mortgage investments.

Nominee-name securities are securities issued in the name of someone other than you, such as a broker, trust company, financial institution, custodian, nominee or other intermediary. Although you are the beneficial securityholder of nominee-name securities, the intermediary is the registered securityholder that holds the security for you, commonly in an account. If you decide to hold your investment in a self-directed registered plan, such as an RRSP, RRIF, TFSA, RESP or other deferred plan, your securities will be held in nominee-name.

CPC is NOT a qualified custodian authorized to hold registered plans such as RRSPs, RRIFs, RESPs or TFSAs pursuant to applicable income tax legislation in Canada, nor is it an agent or representative of any custodian. However, if you wish to hold your securities in a registered plan, CPC may introduce you to a third-party, independent, qualified Canadian custodian who has agreed to hold the securities in a self-directed registered plan, or you have the option of finding your own custodian who is willing to allow you to hold exempt market securities in your self-directed registered plan. If you use your own custodian, CPC will not make an assessment on whether or not it is a qualified custodian for you. If CPC introduces you to a custodian that uses a sub-custodian to hold your assets, CPC will make you aware of that fact.

Although CPC may make custodian’s applications and forms available to you to complete or be listed as the dealer that sold you investments in your third-party self-directed registered plan, CPC is not acting as your agent or as agent of the custodian in doing so and CPC will not review your custodian application and/or forms for completeness or accuracy. You are solely responsible for completing your custodian application and/or forms accurately and in their entirety. These are forms of the custodians and are not CPC forms.

CPC and its DRs are not authorized to and will not contact or deal with your custodian regarding your self-directed registered plan on your behalf, and will not accept trading authorization for your self-directed registered plan. You must deal directly with your custodian in respect of your self-directed registered plan with that custodian, including, without limitation, the third party custodian’s fee schedule, RRSP or TFSA contribution limits, purchases, redemptions, retractions, dividend reinvestment plan or calculating and arranging for the withdrawal of required amounts from your RRIF.

If you have any questions relating to the custodian applications, forms, fees or questions of a general nature surrounding your self-directed registered plan, you must contact the custodian of your self-directed registered plan directly. CPC also encourages you to regularly review any statements from your custodian and contact your custodian directly if you have any concerns with your statement or your custodial agreement.

Using a custodian to hold your securities for safekeeping may minimize the risk of having your certificates lost, stolen or destroyed. Custodians will also be responsible for record keeping relating to your investment and are required to provide you with periodic statements relating to your investment. Not all custodians will agree to hold exempt market securities, and custodians may charge transaction fees and annual fees to purchase, hold or sell your securities. Your DR can arrange for an introduction to a qualified Canadian custodian upon your request.

If you purchase a participating interest in a syndicated mortgage, CPC will disclose to you who will be registered on title as the holder of the syndicated mortgage and associated security. In most cases, you will not be registered on title as the holder of the syndicated mortgage and associated security and the syndicated mortgage will not be held in an account. In most cases, the mortgage broker will be registered on title as the holder on your behalf as the bare trustee and the mortgage broker will hold a registered interest in the mortgage in trust for you as a beneficial owner. There is no requirement to use a qualified custodian if the mortgage is registered in the name of the mortgage broker and the mortgage is held in trust for you. In the event of default, you must rely on the mortgage broker to enforce any mortgage or associated security.

Conflicts of Interest

Securities legislation in Canada requires EMDs such as CPC to take reasonable steps to identify existing material conflicts of interest, and material conflicts of interest that are reasonably foreseeable, between CPC, including each individual acting on CPC's behalf, and clients for which CPC acts as a dealer. CPC must address all such material conflicts of interest in the best interest of the client. CPC has a general duty to deal fairly, honestly and in good faith with its clients. We recognize that conflicts may arise between CPC, its DRs and its clients. It is important to us to provide you with information to help you better understand material conflicts of interest that may arise in your dealings with CPC as an EMD.

A conflict of interest is any circumstance where (i) the interests of different parties are inconsistent or divergent, (ii) CPC or its DRs may be influenced to put their interests ahead of yours; or (iii) monetary or non-monetary benefits available to CPC or its DRs (or potential detriments to which CPC or its DRs may be subject) may compromise the trust that a reasonable client has in CPC or its DRs. Conflicts of interest are deemed to be material if the conflict may be reasonably expected to affect the decisions of the client and/or the recommendations or decisions of CPC or its DRs in the circumstances. Actual, potential and perceived conflicts of interest may exist, and CPC will manage these conflicts by controlling the conflict, disclosing the conflict to you, or avoiding the conflict if it is prohibited by law or there are no appropriate controls available in the circumstances sufficient to address the conflict in your best interest.

CPC has identified some material conflicts of interest to draw to your attention, and the below sections provide disclosure of the conflicts identified and how CPC manages them so that you can independently assess these conflicts when making your investment decision. Other material conflicts of interest may arise from time to time, and CPC will inform you of the nature and extent of any additional material conflicts of interest prior to any subsequent transaction through CPC. You can visit CPC's website at www.carevestprivatecapital.com to view CPC's current *Relationship Disclosure Information* including CPC's material conflicts of interest and a description of CPC's relationships with related and connected issuers.

CPC Exclusively Offered

Proprietary Products

CPC is considered a "captive dealer" because CPC is registered solely as an EMD and exclusively distributes securities of "related issuers" and "connected issuers", as those terms are defined in National Instrument 33-105 *Underwriting Conflicts* ("NI 33-105") and securities of issuers managed by an affiliate of CPC. **At this time, CPC is not offering any proprietary products.**

A "related issuer" of CPC generally shares common ownership or control over more than 20% of the voting securities, and is defined in more detail below. For example, a "related issuer" of CPC would include an issuer that shares more than 20% common securityholders with CPC.

A "connected issuer" of CPC generally has a relationship with CPC (or a related issuer of CPC) or a director or officer of CPC (or a related issuer of CPC) that may lead a reasonable prospective purchaser of the securities of the connected issuer to question whether CPC and the issuer are independent of each other for the distribution of the issuer's securities. For example, a "connected issuer" of CPC may be managed by an affiliate of CPC, share common securityholders of 20% or less with CPC, share a common director or officer with CPC, or borrow money from or lend money to CPC.

As defined in NI 33-105, a person or company is a "related issuer" to CPC if, through the ownership of, direction or control over, voting securities or otherwise, (i) the person or company issuing securities is an "influential securityholder" of CPC, (ii) CPC is an "influential securityholder" of the person or company issuing securities, or (iii) if each of them is a related issuer of the same third person or company. The term "influential securityholder" generally refers to a situation where a person, company or professional group (which includes CPC and its partners, directors, officers, employees and affiliates) (i) directly or indirectly owns or controls more than 20% of the voting securities of an issuer, (ii) directly or indirectly owns or controls more than 20% of the dividends or distributions to the holders of equity securities of the issuer, or more than 20% of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer, (iii) controls or is a partner of the issuer if the issuer is a general partner, (iv) controls or is a general partner of the issuer if the issuer is a limited partnership, (v) directly or indirectly owns or controls more than 10% of the voting securities of an issuer for the election or removal of the issuer's directors, or (vi) directly or indirectly owns or controls more than 10% of the

dividends or distributions to the holders of equity securities of the issuer, or more than 10% of the amount to be distributed to the holders of equity securities of the issuer on the liquidation or winding up of the issuer, and together with its related issuers is entitled to nominate at least 20% of the directors of the issuer or its officers, directors or employees constitute at least 20% of the directors of the issuer.

Being a captive dealer and exclusively offering proprietary product to clients is a material conflict of interest that CPC is required to disclose and explain to you prior to any purchase you make in a security of a related and connected issuer, including a description of the nature and extent of the conflict of interest, either through the receipt of this disclosure or otherwise. A material conflict of interest exists between CPC's financial incentive to sell you securities of its related or connected issuers, and CPC's regulatory obligations to know-your-client, know-your-product, only recommend suitable investments to you and CPC's duty to act fairly, honestly and in good faith with its clients and act in the best interest of the client.

There may be additional conflicts of interest between CPC, issuers, affiliates or third parties, all of which will be disclosed to you in writing by CPC or in applicable offering documents prepared by the issuer, which you are encouraged to read in their entirety.

Different potential conflicts of interest may arise, depending on the product CPC is selling you. Refer to the section below if you are purchasing securities of a mortgage investment corporation (a "MIC") or a participating interest in a syndicated mortgage for details on the nature and extent of the conflict of interest, the potential impact on and risk that the conflict of interest could pose to you and how CPC has addressed the conflict of interest.

Purchasing Securities of a MIC or a Syndicated Mortgage

CPC is no longer selling securities of proprietary product. However, in the future if CPC sells you securities of a MIC or a syndicated mortgage, the nature and extent of the conflicts of interest are set out below.

CPC and other members of the CareVest® Group all share common securityholders, including CareVest Core, the EMD, the Manager, the Mortgage Broker, the Funds Administrator, the Lender and COC as defined herein. Furthermore, CareVest Core, the Manager, the Mortgage Broker and the Lender share common directors. CareVest Core and the Mortgage Broker share common officers as well.

Related and Connected Issuers

CareVest® Core Mortgage Investment Corporation ("CareVest Core")

(formerly Giavest Capital Mortgage Investment Corporation)

CareVest Core was a related and connected issuer of CPC by virtue of CPC's former role as an EMD engaged to sell securities of CareVest Core and based on the fact that CareVest Core, its Manager and CPC have common securityholders (refer to "CareVest® Management Corp." on the following page). CPC does not share common directors or officers with CareVest Core or its Manager. CPC was entitled to receive compensation from CareVest Core's manager, CareVest® Management Corp. ("CMC"), for acting as the agent to sell securities of CareVest Core. CareVest Core did not compensate CPC for selling its securities, and CPC is no longer selling securities of CareVest Core.

CPC also acted as the EMD for CareVest® Capital Inc. ("CCI"), CareVest Core and other MICs managed by CMC to execute trades in mortgage securities. CPC was compensated by CCI for executing these trades (refer to "CareVest® Capital Inc." below), but CPC was not compensated by CareVest Core or other MICs managed by CMC for executing these trades.

CareVest® Capital Inc. ("CCI", the "Mortgage Broker" or the "Administrator")

CCI, a registered mortgage broker, was a related and connected issuer of CPC by virtue of common securityholders and CPC's former role as an EMD to execute trades in syndicated mortgages issued by CCI to CPC clients, including but not limited to CareVest Core, and other MICs managed by CMC.

CareVest Core and CCI also have common securityholders and a common director and officer. Mr. Khunkhun is a director and officer of both CareVest Core and CCI. However, he is not the sole director of either CareVest Core or CCI and cannot solely make decisions for either CareVest Core or CCI without the majority consent of all the directors of each respective entity. In addition, Mr. Khunkhun is a director, shareholder and officer of the entity that controls the CareVest® Group. Mr. Khunkhun is not a Dealing Representative of CPC or an Advising Representative of the Manager. The Funds Administrator has a sole director who is not a securityholder or director of the entity that controls the CareVest® Group.

In light of the potential conflicts of interest, CCI controls these conflicts by presenting mortgage investments to the Manager's credit committee, that does not include Mr. Khunkhun, to approve or decline each mortgage opportunity for CareVest Core. In addition, CMC has discretionary authority over CareVest Core's investments and Mr. Khunkhun is not a director, officer or Advising Representative of CMC. Mr. Khunkhun will recuse himself where there is a conflict situation between CareVest Core and CCI. CPC is entitled to receive compensation from CCI for acting as its agent to trade mortgages and distribute interests in syndicated mortgages. CCI is entitled to receive compensation and fees from CareVest Core for acting as its Mortgage Broker and CCI is entitled to receive compensation, fees and/or priority allocation of interest from acting as Administrator for syndicated mortgages.

Title to the mortgage investments held on behalf of CareVest Core will be registered in the name of CCI, CCI's

affiliate, or a nominee bare trustee and held in trust for CareVest Core. Although CPC shares common ownership with CMC, CareVest Core and CCI, CPC does not share common directors or officers with CCI and CPC does not have access to CareVest Core's mortgage investments or your investments in CareVest Core, and CPC has concluded it is functionally independent from CCI.

If you are purchasing a participating interest in a syndicated mortgage issued by CCI, the following conflicts of interest also exist:

CCI, as the Administrator, will be registered on title to the syndicated mortgage and additional security as applicable, and you will not be registered on title. Pursuant to the terms of the Loan Participation and Administration Agreement, you irrevocably nominate, constitute and appoint the Administrator as your custodian and bare trustee to your participating interest in the syndicated mortgage, and grant the Administrator full power to administer and manage such participating interest and authorize the Administrator to deal with your participating interest.

The Administrator and its principals, affiliates, associates and employees, may purchase a participating interest in the syndicated mortgage with their own funds.

The directors, officers, employees, affiliates and associates of the Administrator are engaged in a wide range of investing and other business activities which may include real property financing in direct competition with the syndicated mortgage and the Administrator intends to and has established other investment vehicles which may involve transactions which conflict with your interests. Furthermore, the services of the Administrator and its directors, officers and employees are not exclusive to you or the syndicated mortgage, and the Administrator, its directors, officers, employees, associates and affiliates may at any time engage in promoting or managing other entities and their investments, including those which may compete directly or indirectly with the syndicated mortgage.

If the Administrator has an existing mortgage or security registered with the same borrower or guarantors for the syndicated mortgage you are investing in, CPC will disclose this to you and/or this fact will be disclosed to you in the Loan Participation and Administration Agreement.

If the borrower of the syndicated mortgage you are investing in is related or connected to CPC or the Administrator, CPC will disclose this to you.

CMC has adopted policies and procedures for identifying and responding to conflicts of interest by avoiding, controlling or disclosing material conflicts of interest. CMC also employs an independent Chief Compliance Officer who provides oversight through a comprehensive compliance program, monitors borrower concentration and approves any personal trades. The officers, directors and shareholders of the entity that controls the CareVest® Group shall not be Advising Representatives of the Manager.

If you are purchasing a participating interest in a syndicated mortgage issued by CCI, CMC does not manage syndicated mortgages, but is an investment fund manager and restricted portfolio manager that manages a portfolio on behalf of certain MICs that may also participate in a syndicated mortgage. CMC may commit, on behalf of the MICs, to participate in a syndicated mortgage, and this fact will be disclosed to you in the Loan Participation and Administration Agreement.

**CareVest® Settlement Corp. (the "Funds Administrator")
(formerly Carecana™ Settlement Corp.)**

The Funds Administrator and CPC have common securityholders. CareVest Core, the Funds Administrator, CMC and CCI also have common securityholders but do not share common directors or officers. In light of the potential conflicts of interest, the assets of CareVest Core administered by the Funds Administrator are held in distinct and separate bank accounts at a Schedule I bank. The Funds Administrator controls conflicts of interest by not disbursing any assets of CareVest Core administered by the Funds Administrator without the prior written instructions of CMC.

If you are purchasing a participating interest in a syndicated mortgage issued by CCI, this is not applicable.

CareVest® Operations Corp. ("COC")

COC and CPC have common securityholders. CareVest Core, COC, CMC and CCI also have common securityholders and CareVest Core and COC have common securityholders, directors and officers. COC provides general corporate services to CPC, CMC, CCI and other affiliated entities. In addition, each of CMC, CCI and other affiliated entities provide consulting services to COC.

2038231 Alberta Ltd. (the "Lender")

The Lender and CPC have common control. CareVest Core, CMC, CCI and the Lender also have common securityholders and common directors and officers. CMC is responsible for compliance oversight and monitoring of the loan agreement between the Lender and CareVest Core. **If you are purchasing a participating interest in a syndicated mortgage issued by CCI, this is not applicable.**

Relationship between CPC & Other Related Entities

**CareVest® Management Corp. ("CMC" or the "Manager")
(formerly Carecana™ Management Corp.)**

CMC is the investment fund manager and restricted portfolio manager for CareVest Core and other affiliated MICs. CMC and CPC have common securityholders and CPC was entitled to receive compensation from CMC for acting as the agent to sell securities of CareVest Core. CPC is no longer selling securities of CareVest Core. CMC is entitled to receive compensation from CareVest Core for providing portfolio manager and investment fund manager services.

CareVest Core and CMC also have common securityholders and directors. In light of the potential conflicts of interest,

The potential impact and risk associated with your purchase of proprietary products from CPC is that CPC and its DRs 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 economic success of CPC is tied to the sale of proprietary products, CPC's affiliates earn revenue and/or retain a priority interest allocation from the proprietary products distributed by CPC, and the proprietary products offered by CPC may take

actions that impact the return on your investment or the value of your investment.

CPC controls these conflicts by: (i) having directors and officers of CPC who have no interest, including as a director, officer or voting shareholder in the proprietary products CPC sells, CMC, CCI, the Funds Administrator, COC or the Lender; (ii) completing independent product due diligence by individuals who have no interest, including as a director, officer or voting shareholder, in the proprietary products CPC sells; (iii) employing a Chief Compliance Officer who has no interest, including as a director, officer or voting shareholder, in the proprietary products CPC sells; (iv) providing clear disclosure to its clients that CPC exclusively sells proprietary products; (v) developing suitable client profiles to invest in CPC's proprietary products and turning away potential clients who do not fit the profile; (vi) establishing an oversight process for compliance with know your product, know your client and suitability determination in respect of proprietary products to determine that your interests are put first when you purchase a product offered by CPC; (vii) conducting ongoing monitoring and product due diligence on proprietary products being offered by CPC; (viii) obtaining an independent evaluation of the effectiveness of CPC's policies, procedures and controls to address conflicts; (ix) controlling access to sensitive information; (x) segregating client records; (xi) providing staff training; (xii) through monitoring and oversight of CPC's related service providers; (xiii) not having access to CCI's mortgages; and (xiv) not having the officers, directors or shareholders of the entity that controls the CareVest® Group be Dealing Representatives of CPC.

CPC formerly acted as the EMD engaged by CareVest Core to sell securities, and was compensated by CMC for this service. CPC received additional compensation from CCI when CareVest Core and other MICs managed by CMC executed trades in mortgage securities issued by CCI. None of these fees directly or indirectly impacted your return in CareVest Core because CareVest Core did not compensate CPC for executing trades in mortgage securities.

If you are purchasing a participating interest in a syndicated mortgage issued by CCI, CPC is acting on behalf of both you as the purchaser, and CCI as the seller for the purchase of a syndicated mortgage. This conflict is controlled because CPC does not charge a mark-up on the syndicated mortgage, and both sides of the trade will occur at the same price equal to the principal value.

CPC's President and Chief Compliance Officer are both registered as DRs and conduct trades in syndicated mortgages between CCI, CareVest Core and other

affiliated MICs managed by CMC. DRs, including CPC's President or Chief Compliance Officer, may then recommend securities of CareVest Core, CCI syndicated mortgages or other affiliates to you. These conflicts are controlled because your DR is required under securities law to only make suitable investment recommendations to you and must address all material conflicts of interest in your best interest.

In addition to the above conflicts of interest (which is not an exhaustive list), there may be additional conflicts of interest between CPC, issuers, borrowers, affiliates or third parties, all of which will be disclosed in applicable offering documents which you are encouraged to read in their entirety before making an investment decision. If you wish to obtain further information concerning the conflicts of interest described herein or for any further details, please refer to the "Contact Us" section below.

Outside Activities

CPC's DRs may be involved in an activity or offer products and services that are unrelated to the business of CPC and carried on outside of CPC, which are referred to as "Outside Activities". Outside Activities include, but are not limited to, other securities-related activities, providing financial or finance-related services, activities with another registered firm or any position of influence held by a DR, whether or not compensation is received and whether or not the activities are business related. Examples of Outside Activities that are reportable include insurance licenses, mortgage broker licenses, financial planning, realtor licenses, director or officer positions with a reporting issuer or an entity raising capital or positions of influence such as religious leaders, medical doctors, nurses or lawyers. Certain Outside Activities are not reportable, such as involvement with non-active operations or volunteer activities that are not securities-related, financial services or positions of influence.

CPC controls material conflicts of interest associated with Outside Activities by: (i) only allowing your DR to engage in an Outside Activity if the activity has been pre-approved by CPC and has been disclosed to regulators if applicable; (ii) establishing internal policies and procedures which restrict any Outside Activities that would interfere with a DR's ability to act in your best interest; (iii) restricting a DR from trading or advising for you or your relative if the DR has a relationship with you arising from a position of influence; (iv) providing clear disclosure to its clients about Outside Activities; and (v) restricting CPC's DRs, officers and directors from being directors, officers or voting shareholders of any product offered by CPC or recommended to CPC's clients.

If a DR is offering you any products or services beyond exempt market products, these products and services are not business activities of CPC. If CPC's DRs are engaged in reportable Outside Activities that are not business activities of CPC, CPC will disclose that to you.

It is important that you read and understand the following if your DR engages in Outside Activities, as this describes the potential impact on you and the potential risk posed by these Outside Activities:

- Your DR's Outside Activities are not business activities of CPC;
- Your DR's registration with CPC only allows for trading and advising in exempt market securities. Any other products or services offered to you by your DR are outside of his or her registration with CPC. CPC is not registered to sell real estate;
- Your DR may be regulated by or holds licenses with other regulators that CPC is not regulated by;
- Your DR may also be involved in unregulated business activity;
- Your DR is restricted from trading or advising if your DR is in a position of influence;
- You will be dealing with more than one legal entity, corporation, trade name, partnership, sole proprietorship or association depending on the products or services offered;
- You are not obligated to use any of the additional products or services offered by your DR;
- You are not obligated to purchase any of the investment products offered by CPC as a condition of receiving additional products or services from your DR;
- CPC is not endorsing, recommending or advising you on any of the products or services offered in connection with your DR's Outside Activities;
- CPC makes no representations or warranties, and assumes no liability in connection with your DR's Outside Activities;
- CPC will not be liable for any errors or omissions related to the other products or services offered by your DR; and
- The remuneration earned by your DR may vary depending on the products and services purchased, and your DR may earn additional remuneration from offering you other products or services outside of CPC.

If you wish to obtain further information concerning your DR's Outside Activities that have been approved by CPC, or if you have any concerns about your DR's Outside Activities, please refer to the "**Contact Us**" section below.

Compensation

DRs are compensated partially or solely on a commission basis, and different products have different compensation structures which may involve commissions based on sales volume. The amount of compensation received by CPC on any transaction with you will be disclosed to you in advance of the transaction. The potential impact and risk associated with compensation arrangements is that CPC or your DR may be influenced to sell you products that offer the highest compensation, or to sell you a higher volume of products to receive more compensation, when there may be a more suitable product available on CPC's product shelf for you. However, potential conflicts of interest arising from CPC's compensation arrangements and incentive practices are controlled by maintaining internal compensation arrangements and commission splits that are approved by CPC in advance, by avoiding incentives or compensating DRs for reaching sales targets and the fact that your DR is required under securities law to put your interest first when recommending a product to you.

CPC may receive upfront sales commission from the issuer's manager for selling you products. The potential impact and risk associated with purchasing products is that you will have liquidity constraints associated with these products, as set out in the Offering Memorandum or disclosure document and explained to you by your DR. This conflict is controlled because the sales commission received by CPC is not paid by the issuer and does not impact your return or the value of your investment and your DR is required under securities law to only make suitable investment recommendations to you and must put your interest first when recommending a product to you.

On occasion, CPC and/or its DRs may also pay or receive referral fees if they refer you to third parties for the purposes of obtaining other products and services or if third parties refer you to CPC. If CPC and/or its DRs expect to pay or receive a referral fee, that fact will be disclosed to you so that you can independently assess any potential conflict and make an informed decision. The potential impact and risk associated with CPC receiving referral fees is that CPC or your DR may be influenced to refer you to a third party's products or services in exchange for compensation. The potential impact and risk to you of CPC paying a referral fee to obtain a client can influence CPC or the DR to put their interest in growing their business ahead of your interest. These conflicts are controlled through oversight, training and the fact that your DR is required under securities law to conduct all registerable activities without delegation to the Referral Agent and to put your interest first when determining if the Securities are

suitable for you and determining that making the referral is in your best interest before you are referred to a third party. Furthermore, you do not pay the referral fee and you will not pay more for CPC's products and services as a referred client than if you were not a referred client.

Types of Risks

Investment products sold in the prospectus-exempt market are generally considered high risk and are only suitable for investors who are qualified to purchase such securities, and are familiar with and have the ability and willingness to accept the high risk associated with exempt market securities. The types of risks that you should consider when deciding to purchase an exempt product include, without limitation: illiquidity (private issuers are not publicly traded on a stock exchange, are subject to resale restrictions, and may have limitations on redemptions or retractions that restrict your ability to sell or liquidate your investment at will), high risk nature of exempt products, no guarantee of return or payment of dividends, speculative nature of the investment, reliance on management, conflicts of interest, absence of voting rights (if applicable) and limited ongoing disclosure from issuers that are not publicly traded.

There are a number of additional industry specific risks that should also be considered and will be described in detail in each product's Offering Memorandum or disclosure document. Examples of industry specific risks in the real estate industry include but are not limited to, general economic conditions, fluctuations in real estate markets, interest rates, and risks related to mortgage extensions, defaults, foreclosure and related costs.

In addition, exempt market products are sold under certain statutory prospectus exemptions, which exemptions relieve the exempt market products from having to file a prospectus and therefore there is no review of the disclosure documents by any securities commission or similar regulatory authority.

Risk factors are described in detail in each product's Offering Memorandum or disclosure document and we encourage you to read the entire Offering Memorandum or disclosure document carefully and seek independent legal or tax advice where appropriate before making an investment decision. We also encourage you to read this document carefully as it contains important information about the risks associated with your relationship with CPC.

Using Leverage

Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. The purchase of securities using borrowed money magnifies the gain or loss on the cash invested. This effect is called leveraging. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest on the loan as required by its terms remains the same even if the value of the securities purchased with the borrowed money declines.

Furthermore, many of the products that CPC offers to retail investors do not have guaranteed cash flow or income streams to rely on to repay your loans or make interest payments on your loans. Investing in products with embedded leverage or the ability to utilize leverage may also involve additional risks that will be described in detail in the product's Offering Memorandum or disclosure document, if applicable.

Client Reporting

Neither CPC nor the issuer will provide you with updates about your investments and CPC is not obligated to notify you of any significant changes to your investment. The issuers in the exempt market are not reporting issuers and are not subject to any continuous reporting obligations. CPC will provide you with the contact information for the issuer or the investment fund manager in writing prior to any purchase you make through CPC and we encourage you to contact them directly if you have any concerns. Some issuers may make available periodic investor statements, communication and/or audited financial statements at their discretion.

While you continue to be a client of CPC, CPC will send you the following client reporting, as applicable. It is important for you to review all of the client reporting CPC sends you, and contact your DR if you have any questions or concerns.

Trade Confirmations – CPC will provide you with a trade confirmation report promptly following a transaction for which CPC acted for you, including the name of the product, number and type of securities purchased, purchase price per security, the security's annual yield (in the case of a purchase of a debt security), commission and charges paid by you to CPC (if any), a description of where your assets are being held and the settlement date. CPC will generally only act as your dealer in connection with the purchase transaction, and will not act as your dealer or issue a trade confirmation in connection with any sale, redemption, retraction or purchase of additional securities by way of a dividend reinvestment. For information relating to any sale, redemption,

retraction or purchase of additional securities by way of a dividend reinvestment, please contact the issuer or the investment fund manager directly.

Client Statements – In the month following a transaction for which CPC acted for you, CPC will provide you with a one-time client statement showing all of your CPC transactions during the month, including the name of the product, number and type of securities purchased, purchase price per security, gross purchase price, the security's annual yield (in the case of a purchase of a debt security), a description of where your assets are being held and the transaction date. The client statement from CPC only includes transaction information and does not include ending balance or market value information. Because CPC does not open client accounts, it does not hold or control any of your cash or securities. **You will only receive a client statement from CPC if you completed a purchase transaction through CPC during the monthly reporting period.** CPC will generally only act as your dealer in connection with the purchase transaction, and will not act as your dealer or issue a client statement in connection with any sale, redemption, retraction or purchase of additional securities by way of a dividend reinvestment. For information relating to any sale, redemption, retraction or purchase of additional securities by way of a dividend reinvestment, please contact the issuer or the investment fund manager directly.

CPC is not required to provide you with an additional statement on securities you hold in client-name. In the future, if CPC has trading authority over your securities or if CPC receives trailing commissions or other continuing payments related to your ownership of securities, CPC will be required to provide you with ongoing client statements that include additional information relating to your client-name securities that you purchase from CPC. The additional client statement information will include the name, quantity, cost and market value of each security, any cash balance you hold at CPC, the total cost and market value of your cash and securities, a description of how your securities are being held, disclosure in respect of who holds each security, which of the securities might be subject to a deferred sales charge or early redemption/retraction charge if they are sold, and whether the securities are eligible for coverage under an investor protection fund.

Fee Report – CPC will provide you with a Fee Report at the end of each calendar year during which CPC acts as your dealer, even if CPC acted as your dealer for less

than 12 months. **CPC will not send you this report if CPC did not act as your dealer on a transaction during the last calendar year.** The Fee Report summarizes all of the compensation CPC received directly and indirectly for acting as your dealer, including but not limited to, operating charges, transaction charges, trading commissions, trailing commissions, payments CPC receives from issuers or other registrants in relation to providing services to you or any mark-ups, mark-downs or service charges on the purchase or sale of debt securities.

Investment Performance Report – CPC is not required to provide you with an Investment Performance Report to show you the performance of exempt market securities CPC sold to you because CPC does not open client accounts, it does not hold or control any of your cash or securities. **For information on the performance of your exempt market securities, please contact the issuer or investment fund manager directly.** In the future if CPC has trading authority over your securities or if CPC receives trailing fees or any other continuing payment related to your securities, CPC will be required to provide you with an Investment Performance Report for certain exempt market securities issued by an investment fund if the market value of your securities can be determined.

If CPC is required to provide you with an Investment Performance Report, it will include the beginning and ending market value of the exempt market securities CPC sold you and your annualized total percentage return for each of the 1-year, 3-year, 5-year, 10-year and since inception period, as applicable, for the exempt market securities CPC sold you.

Client Costs

It is important to CPC that you be an informed investor and understand the fees you pay for your investments that CPC sells you. Prior to any purchase you make through CPC, CPC will provide you with a written summary of the direct and indirect fees and costs associated with your particular investment, including any management fees, mortgage brokerage fees, trailing commissions or other ongoing fees related to your ownership of the security, and CPC will explain how it will be compensated from your investment. CPC will also provide you with a Fee Report at the end of each calendar year during which CPC acts as your dealer to summarize the compensation CPC earned from acting as your dealer. Refer to "Fee Report" above.

CPC may receive a sales commission from the product and/or the investment fund manager when you purchase an investment, and this will be disclosed to you in the

product's offering documents. CPC may also receive a due diligence fee from the product and/or the investment fund manager. Your investment may have other indirect fees and costs that are not charged directly to you, but are paid by the product and deducted from the returns, which will reduce your returns and/or reduce the value of your investment as long as you own it, such as management fees, performance fees, mortgage brokerage fees or other ongoing fees. Ongoing indirect fees and costs reduce the amount available for the product to operate its business, and negatively impact the overall return and/or value of your investment for as long as you own it.

Ongoing fees will have a negative compounding effect over time as a deduction to the overall return and/or value of your investment. As ongoing fees continue to be charged over the life of the investment, investment returns will compound at a lower rate. Owing to the compounding effect, management fees, mortgage brokerage fees and other ongoing fees paid by the issuer will have a negative impact on your overall return and/or value of your investment by an increasing amount each year.

If any of these direct or indirect fees are payable to entities related to CPC, this fact will also be disclosed to you in the product's offering documents. You may also be charged direct fees or early redemption or retraction charges when redeeming or retracting your investment within a specified period of time after your purchase, which will be set out in the Offering Memorandum or disclosure document and explained to you by your DR.

Please refer to the product's Offering Memorandum or disclosure document for a detailed description of any fees, deductions or charges applicable to the product's securities that may be paid directly by you, and a description of any indirect costs associated with your investment in an exempt product, including sales commission or other benefits CPC may receive in connection with your purchase or ownership of such product.

CPC does not charge its retail clients any direct fees or costs for purchasing, holding or selling investments. However, third party intermediaries or custodians may charge transaction fees and annual or ongoing fees to purchase, hold, participate in a dividend reinvestment plan, redeem, retract or sell an exempt product within a registered plan. In CPC's sole discretion, CPC may run limited-time promotions with measurable criteria to reimburse clients for certain third party custodian fees.

Temporary Holds

CPC may place a temporary hold on your investment transaction if CPC reasonably believes that you do not have the mental capacity to make decisions involving financial matters or you are a vulnerable client and CPC reasonably believes financial exploitation has occurred, is occurring, has been attempted or will be attempted.

If CPC were to place a temporary hold, you will be provided notice of the temporary hold and the reasons as soon as possible after placing the temporary hold, and CPC will provide you with an update every 30 days for the duration of the temporary hold that outlines the decision to continue the hold and the reasons for that decision.

Benchmarks

An investment performance benchmark is a market or industry sector index against which you can measure the relative performance of your investment. By comparing your investment to an appropriate benchmark, you can see how your investment performed compared to the market or industry sector in general. Benchmarks should reflect a similar asset class, industry sector and/or risk level so they are comparable to the investment to which you are comparing performance. CPC does not currently offer benchmark comparisons to its clients for the products it sells.

Complaint Process

We encourage you to direct complaints you have regarding CPC to CPC's Chief Compliance Officer by telephone at 1-888-538-5832, by e-mail at enquiries@carevest.com or by mail to Suite 1450, 555-4th Avenue SW, Calgary, Alberta, T2P 3E7, Attention: Chief Compliance Officer so we may have the opportunity to address your complaint. CPC will acknowledge receipt of your complaint as soon as possible, typically within five business days of receiving your complaint, and in most cases you can expect to receive a final response and decision from CPC within 90 days of receiving your complaint.

If CPC does not provide you with a final response within 90 days of receiving your complaint, you have the right to contact the Ombudsman for Banking Services & Investments ("OBSI") for a further review of any complaints relating to trading or advising activity. You also have the right to contact OBSI within 180 days of receiving CPC's final response if your complaint is not resolved to your satisfaction. OBSI is a national independent dispute resolution service for resolving banking services and investment disputes and provides its services at no cost to you. An alternative to the legal system, OBSI can recommend compensation of up to \$350,000 and its recommendations are not binding. OBSI can be reached

by telephone at 1-888-451-4519, by e-mail at ombudsman@obsi.ca or visit its website at www.obsi.ca.

Privacy Policy

At CPC, your privacy is important to us. We collect and use personal information about you to create and maintain a relationship that allows us to conduct business with you in accordance with the provisions of our **Privacy Policy** available at www.carevest.com. We are committed to protecting and maintaining the accuracy, confidentiality and security of your personal information. We are also careful to ensure that information is used responsibly, and only for the purposes for which you gave it to us, unless otherwise permitted or required by law.

By submitting your personal information to CPC, you represent and agree that such information is provided with your full consent and is not confidential or proprietary and that CPC is free to use such information in order to conduct business with you. You further consent to the collection, use and disclosure of your personal information as described in our Privacy Policy, including for the purpose of verifying your identity directly or through your self-appointed trusted contact person. Your information provided to us may be stored in a jurisdiction without data protection rules similar to those found in Canada. Personal information may also be disclosed to law enforcement,

regulators, or other government agencies, or to other third parties, in each case to comply with legal or regulatory obligations or requests. The information you provide is protected under the Personal Information Protection Act (Alberta) and will only be used in accordance with the provisions of our Privacy Policy.

If you have any questions or concerns about the collection of your personal information, please contact the Privacy Officer as follows:

Privacy Officer
Suite 1450, 555-4th Avenue SW
Calgary, Alberta, T2P 3E7
Telephone: (403) 509-0115 **Facsimile: (403) 262-9520**
Email: privacy@carevest.com

Contact Us

If you wish to obtain further information concerning your relationship with CPC, or if you have any concerns about the information provided herein, please contact your dealing representative or the Chief Compliance Officer at:

CareVest® Private Capital Inc.
Suite 1450, 555-4th Avenue SW
Calgary, Alberta, T2P 3E7
Toll Free: 1-877-847-6797
Email: enquiries@carevest.com