

# Conflicts of interest statement

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ATB Investment Management Inc. (ATBIM) shall act fairly, honestly and in good faith and adheres to the highest ethical standards in our dealings with clients when addressing actual, potential and perceived conflicts of interest, which are inherent in many business relationships. We consider a conflict of interest to be any situation where the interests of a client and those of ATBIM or one of our investment counselors/ portfolio managers may diverge. It is important for you to be informed about how we identify and respond to conflicts of interest, as our goal is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals.

The general types of conflicts of interest that can arise are:

- Conflicts of interest between you and ATBIM
- Conflicts of interest between you and your investment counselor/portfolio manager; and
- Conflicts of interest between you and our other clients.

## Management of conflicts of interest

Our goal is to address conflicts in a fair, equitable and transparent manner, consistent with the best interest of our clients. We will avoid conflict where possible, and in all other cases disclose the conflict while managing it by applying internal controls and review processes. Conflicts that are material and cannot be managed in your best interest through controls will be avoided. As conflicts can arise throughout our relationship with you, disclosures will be made in a timely, meaningful and prominent manner.

Certain securities law reforms come into force on June 30, 2021, which require us to provide the enhanced disclosure below to assist you in understanding and assessing material conflicts of interest, both existing or reasonably foreseeable, including how we will address them in your best interest. This is an overview of a complex subject. **If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, please reach out to your investment counselor/portfolio manager for an explanation and more information.**

*Please note reference to "ATB Wealth" includes ATBIM, ATB Securities Inc. (ATBSI), and ATB Insurance Advisors Inc. (ATBIA). These three affiliates operate under the name "ATB Wealth".*

Conflict of interest	Potential impact and risk	How conflict has been, or will be, addressed
<p><b>Proprietary products</b></p>	<p>ATBIM is a subsidiary of ATB Financial and an affiliated company to ATBSI , ATB Capital Markets and ATBIA. Our proprietary investment funds are manufactured by ATBIM and distributed for sale through ATBIM managed accounts and ATBSI. While we offer a wide range of investment products, we are connected to our own proprietary product and benefit financially from their sale.</p> <p>ATB Financial offers an incentive program which provides an investment opportunity to certain employees. Though this incentive program is based on the success of ATB Wealth, we may be perceived to be financially motivated to recommend our proprietary products over other investment products that we offer.</p>	<ul style="list-style-type: none"> <li>i. Proprietary products and non-proprietary products are both subject to the same due diligence, selection and ongoing processes.</li> <li>ii. We consider your investment needs and objectives and put your interest first by only making suitable investment recommendations, regardless of whether the product is proprietary or not. Our compliance team conducts regular reviews of the suitability of the products in your portfolio, meaning the use and level of proprietary products in your portfolio are being monitored.</li> <li>iii. We disclose to you the nature of our service offering, which includes disclosure that our investment funds are proprietary products and that investment counselors/portfolio managers could be biased towards proprietary products. This enables you to independently assess whether you would like to invest in our proprietary products.</li> <li>iv. Our investment counselors/portfolio managers are compensated based on a percentage of the value of your account, which does not incentivize them to promote proprietary products over non-proprietary products.</li> </ul>

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<p><b>Compensation arrangements and incentive programs</b></p>	<p>We earn compensation for our advisory services based on a percentage of the value of your account. This is a potential conflict of interest as we may be encouraged to show good performance to attract more investments, resulting in an increase to our financial compensation.</p> <p>To encourage growth of our business, Investment counselors/portfolio managers may receive rewards through incentive programs that measure specific key performance indicators. These contests and other incentives could encourage investment counselors/portfolio managers to recommend or sell a certain product, asset class or account type that may not be in your best interest.</p>	<ul style="list-style-type: none"> <li>i. We inform you of fees, commissions and other compensation in advance, so you know what you are paying.</li> <li>ii. Our fee schedule is provided to you when you open your account as well as anytime there is a change to our fees.</li> <li>iii. We can only make suitable investment recommendations to you, regardless of product. Our compliance team conducts regular reviews of the suitability of the products in your portfolio. The compensation of our compliance and supervisory staff is not tied to sales or revenue.</li> <li>iv. We value the securities in your account (the value of which may impact our compensation) using policies and procedures that are designed to address any potential conflicts of interest. The value of securities in your accounts are obtained from a qualified third party.</li> <li>v. Contests and other incentive programs are based on client experience scores and not just on new revenue or assets gathered, so that Investment Counselors/Portfolio Managers are not solely rewarded based on the type of products they recommend. Our compliance team reviews all contest and incentive program criteria and regularly conducts suitability reviews of your accounts to monitor for situations where we fail to act in your best interest. All contests contain terms and conditions that outline the consequences for violations of our code of conduct.</li> </ul>
<p><b>Referral arrangements</b></p>	<p>We have a referral arrangement in place with ATBSI whereby we pay ATBSI representatives a fee for a client referral. This is a potential conflict of interest as the referral may be created for our financial benefit.</p>	<ul style="list-style-type: none"> <li>i. We have a written agreement with ATBSI that sets out the terms of the referral arrangement and is periodically reviewed.</li> <li>ii. Details of our referral arrangement with ATBSI, including the fee we pay to ATBSI, are disclosed to you if you are referred from ATBSI.</li> <li>iii. We have an obligation to ensure our services are suitable for you if you are referred to us.</li> </ul>

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<p><b>Fair allocation</b></p>	<p>We have an obligation to treat all clients fairly when allocating investment opportunities. There may be times when there is an insufficient number of securities, or the availability of securities are limited based on regulatory requirements or certain conditions set by issuers. In such circumstances, a conflict of interest may arise when we select which clients' accounts to participate in the allocation.</p>	<ul style="list-style-type: none"> <li>i. When multiple investors wish to purchase the same security, we use a process whereby we aggregate the trade requests into a single transaction. Once the trade is complete, we then allocate the securities on a pro rata basis among the investors, to the extent reasonably possible, based on the size of the accounts.</li> <li>ii. We have written policies and procedures outlining our fair allocation obligations to you. We aim to allocate investment opportunities to our clients on an equitable basis.</li> </ul>
<p><b>Trade execution with related party</b></p>	<p>ATBIM solely executes trades through ATBSI, an affiliated dealer. Our selection of ATBSI to execute trades can create a potential or perceived conflict of interest because we are related parties and you may not receive the best possible result.</p>	<ul style="list-style-type: none"> <li>i. There are agreements in place that govern how ATBSI interacts to place your interests ahead of ours.</li> <li>ii. We disclose potential conflicts of interest to you at the onset of our relationship with you, so that you can independently assess them.</li> <li>iii. ATBSI uses a third party to execute trades and we review their controls annually to determine that we are obtaining the best execution of your trades.</li> </ul>
<p><b>Outside business activities</b></p>	<p>Our investment counselors/portfolio managers may perform outside business activities such as participating on advisory boards for companies or holding volunteer positions. Engaging in these activities could create competing interests with our duties to you, such as insider trading opportunities, access to material non-public information and the ability to exert inappropriate influence over you.</p>	<ul style="list-style-type: none"> <li>i. We have a code of conduct that sets out our standards for business conduct which seek to prevent personal interests of our investment counselors/portfolio managers to conflict with your best interest.</li> <li>ii. All employees must disclose, in writing, relevant outside business activities and affiliations. Such outside business activities and affiliations are evaluated by our compliance team to determine if a potential conflict of interest could exist and if so, whether such conflict can be resolved in a manner that is in your best interest. If we determine that there is a potential conflict and it cannot be resolved, then we do not permit our employees to engage in such outside business activity.</li> </ul>

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<b>Personal trading</b>	<p>Our investment counselors/portfolio managers may have access to privileged and confidential client information that could result in a personal or financial advantage when conducting their own personal trading activities, to your potential detriment.</p>	<ul style="list-style-type: none"> <li>i. We comply with legal and regulatory requirements that impose restrictions on personal trading.</li> <li>ii. We have established policies and procedures to supervise the personal trades of all employees, including those who have access to information about your portfolios and our proprietary investment funds.</li> <li>iii. Personal trading activity is monitored and approved by our compliance team.</li> </ul>
<b>Gifts and entertainment</b>	<p>Our investment counselors/portfolio managers may be offered or receive gifts and entertainment, which could influence or give the impression of influencing their decision making in the course of performing their duties to you.</p>	<ul style="list-style-type: none"> <li>i. We have established policies and procedures for when the receipt of gifts and entertainment is acceptable.</li> <li>ii. We track and approve gifts and entertainment received by an investment counselor/portfolio manager that are over a certain value threshold.</li> </ul>
<b>Account errors</b>	<p>We have an obligation to resolve any account errors that occur. There is a potential conflict of interest when determining when and how to deal with errors due to the time, processing cost and reimbursement cost involved.</p>	<ul style="list-style-type: none"> <li>i. We have an error correction policy that establishes standards for the correction of discrepancies in a consistent and industry-aligned manner. Our policy is to make an investor whole where possible, subject to a minimum threshold (or value).</li> <li>ii. The decision to rectify any pricing or account error will be made by individual(s) not involved in causing the error.</li> </ul>