Know Your Client and Suitability Determination Policy

Applicable Laws & Regulations

Part A of IIROC Rule 3200 – Know-your-client and Client Identification Requirements
Part B of IIROC Rule 3200 – Requirements for Client Accounts
IIROC Rule 3400 – Suitability Determination
National Instrument 31-103

Policy

This policy provides guidance to ACPI Advisors on the KYC and suitability determination obligations owed to clients in both managed accounts and advisory accounts (fee-based and commission-based) in accordance with IIROC Rules and applicable legislation.

Know Your Client obligation

KYC requirements are primarily the obligation of the ACPI Advisor(s) assigned to the client's account and this responsibility cannot be delegated to any other person. KYC information is required to be collected and maintained to satisfy the suitability determination obligation and to comply with anti-money laundering (AML) and gatekeeper of financial markets obligations. The KYC obligation is specific to each individual client. For example, ACPI Advisors should not attribute characteristics of the client's family members to the client, such as attributing a spouse's investment experience and knowledge. In addition, ACPI Advisors should strive to have meaningful interactions with each of their clients to gather the necessary information to fulfill the above obligations. The KYC obligation and the gathering of required information is not a "tick the box" exercise. The interactions with clients are the foundation of the relationship that ACPI Advisors will enjoy with their clients and, in addition to being thoroughly documented, will lend support and back-up to future scenarios where an ACPI Advisor's actions on a particular client account are questioned by the Advisor's client, Business Integrity, IIROC, or the courts.

The KYC obligation involves the collection, maintenance, and regular update of information to:

- learn and remain informed of the essential facts relative to each client and their orders and accounts,
- establish the client's identity,
- verify the client's reputation, based upon reasonable inquiries,
- establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded,
- meet any ongoing suitability determination obligation owed to the client under IIROC Rules, and

- establish the creditworthiness of the client.

Types of KYC information that must be collected

Essential facts

ACPI and its Advisors must learn and remain informed of the "essential facts" relative to each order, client, and account. This includes biographical information as well any other essential facts that are not necessarily linked to the suitability determination obligation. For example, ACPI and its Advisors are expected to determine that a client in an advisory account meets the definition of accredited investor or otherwise qualifies to purchase an exempt market product prior to selling them such a product, as required under securities laws. It should be noted that this is not simply an "ACPI Advisor obligation." ACPI Advisors will rely heavily on their clients to ensure that, to the extent that a change in circumstances occurs in the client's life, the client is aware of their obligations to notify his or her ACPI Advisor of such a change.

Client identification

Identifying a client is the first step in knowing the client. ACPI and its Advisors must collect information to establish the identity of clients. ACPI and its Advisors must also take reasonable steps to confirm the accuracy of this information and form a reasonable belief that they know the client's identity.

Client reputation

ACPI and its Advisors must make reasonable inquiries if there are concerns about the reputation of the client and any inquiries must be sufficient to resolve the concerns.

Client insider status

ACPI and its Advisors must take reasonable steps to establish whether the client is an insider of a reporting issuer or any other issuer whose securities are publicly traded. In meeting this obligation, ACPI Advisors should explain to the client what an insider is and what it means for securities to be publicly traded and then ask the client whether they are an insider.

KYC for conducting a suitability determination

ACPI and its Advisors must collect adequate information to ensure we have a sufficient understanding and awareness of our clients to enable us to continually discharge our suitability determination obligations. The depth of enquires made and information collected/maintained may vary depending on the Advisor's relationship with the client and the securities and services offered by ACPI. ACPI and its Advisors must not manipulate KYC information to correspond or match with a client's portfolio risk or otherwise be manipulated to lead to a pre-determined outcome.

Creditworthiness of the client

ACPI and its Advisors must collect information to assess the creditworthiness of clients, which generally includes information relating to the client's financial circumstances.

Trusted Contact Person (TCP) Information

Although it is not required that a client provide a TCP, ACPI and our Advisors have an obligation to take reasonable steps to obtain from clients the name and contact information of a TCP, and the client's authorization to contact the TCP in certain situations. This information is requested at account opening using our TCP Authorization Form. For those clients who have declined to provide TCP information, the KYC update provides an ACPI Advisor with an opportunity to discuss the benefits of providing ACPI with a TCP and another opportunity to obtain the authorization. TCP obligations do not apply to accounts for clients that are not individuals.

Specific KYC information that must be collected for suitability determination purposes

Client's personal circumstances

IIROC Rules require ACPI and its Advisors to collect sufficient information about the client's personal circumstances. Even when a suitability determination is not required, this information is also considered to be "essential facts" relative to the client.

For individuals, this includes, but is not necessarily limited to:

- date of birth;
- address and contact information;
- civil status or family situation;
- number of dependants;
- employment status and occupation;
- name and contact information of a TCP;
- whether someone other than the client is authorised to provide instructions on the account; and
- whether someone other than the client has a financial interest in the account.

For non-individuals, this includes, but is not necessarily limited to:

- legal name;
- beneficial ownership information – including identification of any individuals who beneficially own 25% or more of the entity;
- head office address and contact information;
- type of legal entity (i.e., corporation, trust, or other entity);
- form and details regarding the organization of the legal entity (i.e., articles of incorporation, trust deed, or other constating documents);
- nature of business;
- persons authorized to provide instructions on the account and details of any restrictions on their authority; and

- whether someone other than the client has a financial interest in the account.

Client's financial circumstances
IIROC Rules requires ACPI and its Advisors to collect sufficient information about the client's financial circumstances. This includes, where applicable:

- annual income;
- liquidity needs;
- financial assets;
- net worth; and
- whether the client is using leverage or borrowing to finance the purchase of securities.

Client's liquidity needs
ACPI Advisors should consider ascertaining the extent to which their clients wish or need to access all or a portion of their investments to meet their expenses and financial obligations or fund major planned expenditures. When assessing a client's liquidity needs, ACPI Advisors should consider whether the client has other means to cover their expenditures, whether the needs are expected or unexpected, and whether, once the need materializes, the money will be withdrawn on a regular basis.

Client's financial assets and net worth
ACPI Advisors should take reasonable steps to obtain a breakdown of a client's financial assets, including deposits and type of securities such as mutual funds, listed securities, and exempt securities. Where securities being sold are illiquid or highly risky, more information on a client's financial circumstances, including investments held elsewhere, may need to be gathered to sufficiently support a suitability determination. ACPI and its Advisors should also take reasonable steps to determine a client's net worth, which includes their assets and liabilities. ACPI Advisors may need to ask about investments, other assets and liabilities the client maintains outside of ACPI to better understand a client's financial circumstances.

Use of leverage or borrowing to finance the purchase of securities
ACPI Advisors should determine whether a client is using leverage or borrowing to purchase securities. When a client uses leverage or borrows money to invest, ACPI and its Advisors should gather information on the client's ability to meet debt obligations. This information should be used to determine whether an investment funded or carried through borrowing for the client would be suitable and put the client's interest first.

Client's investment needs and objectives
ACPI Advisors are required to collect sufficient information about the client's investment needs and objectives. A client's investment needs may include liquidity needs as discussed in this policy. A client's investment objectives are what they want to achieve when investing, such as income generation or capital growth. ACPI Advisors should provide their clients the opportunity to express

their investment needs and objectives in terms that are meaningful to them such us describing the lifestyle they want to have or a specific financial goal they want to meet.

Client's investment knowledge

ACPI Advisors are required to collect sufficient information about the client's investment knowledge, even where a client indicates that they are a sophisticated investor based on their net worth and investment experience. This includes the client's understanding of:

- the financial markets;
- the relative risk and limitations of various types of investments; and
- how the level of risk taken affects potential returns.

Documenting a client's previous experience with finances and investments contributes to the assessment of a client's investment knowledge. Inquiries should be made when a client indicates they have limited knowledge but are willing to accept a high level of risk.

Client's risk profile

In establishing a client's risk profile, ACPI Advisors should ascertain the client's:

- willingness to accept risk (i.e., risk tolerance), and
- ability to endure financial loss (i.e., risk capacity)

When determining a client's risk profile, ACPI Advisors should consider all of the client's KYC information collected, particularly the client's financial circumstances, how much of a client's portfolio a particular securities position represents, and the client's age and life stage. Where the client's expectations for returns conflict with their risk profile, ACPI Advisors should consider having a detailed discussion with the client on the relationship between risk and return to reconcile such conflicts and establish more realistic expectations. ACPI Advisors should not override a client's KYC information to meet a client's expectations for returns. ACPI Advisors should identify any mismatches between the client's investment needs and objectives, risk tolerance and risk capacity and revisit them with the client. If a client's objectives cannot be achieved without taking greater risk than they are able or willing to take, ACPI Advisors should clearly explain the alternatives available.

Where ACPI Advisors conclude that the client does not have the capacity or tolerance to sustain the potential losses and volatility associated with a higher risk portfolio, ACPI Advisors should explain to the client that their need or expectation for a higher return cannot realistically be met, and as a result, the higher risk portfolio is unsuitable. ACPI Advisors should properly document their interaction with the client and the end result.

Client's investment time horizon

When a client identifies their investment time horizon, the ACPI Advisor has the responsibility to assess its feasibility and reasonableness relative to the client's liquidity needs, age, investment objectives, risk profile, and other particular circumstances. The length of the client's investment time horizon impacts the types of investments that may be suitable for the client. Investors with a longer investment time horizon may have a greater degree of flexibility when building a portfolio, whereas a short investment time horizon may mean that conservative investments may be the only suitable option.

ACPI's standardized KYC and suitability process

Use of A360 Onboarding

ACPI utilizes a digital KYC collection and account opening platform called A360 Onboarding. The A360 Onboarding system is designed to help ACPI Advisors facilitate a meaningful discovery session with clients and electronically collect the client's KYC information (i.e., personal and financial circumstances, investment objectives, investment knowledge, risk profile and investment time horizon) and complete a New Client Application Form. As part of the A360 Onboarding process, clients are required to complete a Risk Profile Questionnaire ("RPQ").

Need for meaningful interaction with clients

KYC information collection is not a "tick the box" exercise. The process for collecting and updating clients' KYC information using A360 Onboarding should amount to a meaningful interaction between the client and their ACPI Advisor. ACPI Advisors should exercise care when dealing with clients who may be vulnerable due to age or disability, and even with sophisticated investors and generally not assume their clients will understand all KYC factors, questions and related discussions. In these situations, ACPI Advisors should provide more detailed explanations to their clients to help them understand the discussion and provide accurate and meaningful information.

Client Risk Score

The completion of the RPQ results in a number 'Risk Score' from 0 to 100 which represents the level of risk that is suitable for the client in order to meet their investment needs and objectives. The 'Risk Score' can also be associated to the industry standard 5-point risk scale (low, low-medium, medium, medium-high, high). A client's answers to the RPQ should not be manipulated to justify recommending higher-risk portfolios, and clients should not be influenced by an ACPI Advisor as to the way they respond to questions related to their risk tolerance or risk capacity. See '*Appendix A – Risk Score Matrix*' for the risk score ranges and associated investor profile descriptions.

KYC information is collected and maintained at the client level as opposed to the account level, and one set of KYC information is used for multiple accounts of the client (i.e., portfolio) as long as the beneficial owner of each account is identical (this would exclude joint, corporate, trust accounts, etc.). The A360 Onboarding platform should be used by all ACPI Advisors for KYC collection and KYC updates.

Client confirmation of the accuracy of their KYC information

ACPI Advisors should obtain the client's confirmation of the accuracy of their KYC information collected, as well as any significant changes to the client's information. Client's confirmation of the accuracy of their KYC information is evidenced by obtaining the client's signature (handwritten, electronic or digital) on ACPI's Client Level KYC Form. ACPI Advisors should verify any change to client information by confirming it with the client with an updated ACPI's Client Level KYC Form. And providing the client an opportunity to correct any changes. ACPI maintains evidence of the client's confirmation of the accuracy of their KYC information in an electronic format on its centralized A360 digital services platform.

Keeping KYC information current

ACPI Advisors must make reasonable efforts to keep clients' KYC information current. At a minimum, ACPI and its Advisor must review, and if necessary, update, KYC information at the following frequencies:

- Advisory Accounts: no less frequently than once every 36 months
- Managed Accounts: no less frequently than once every 12 months

If an ACPI Advisor determines, as a result of the review, that no KYC updates are required, the ACPI Advisor must retain documented evidence that a review was conducted as required, such as the date of when the review was conducted and the outcome of the review.

ACPI Advisors should review and refresh a client's KYC information after a meaningful and documented interaction with the client. ACPI Advisors are not expected to re-collect their clients' information at every review. Where there has been a significant change to the client's KYC information, the ACPI Advisor should conduct a more fulsome KYC update process by working with the client to complete a new RPQ.

ACPI Advisors should consider more frequent updates when they are recommending exempt market securities, or for client accounts that contain a significant position in securities or products that are high risk, complex or illiquid.

Significant / Material change to client information and KYC updates

ACPI Advisors should make reasonable enquiries to determine if there has been a significant change to a client's KYC information. ACPI Advisors may make such inquiries when they meet a client to review their portfolio, otherwise corresponds with the client to discuss other portfolio related matters or contacts the client to verify the accuracy of their KYC information.

A “significant change” in a client’s information includes, but is not specifically limited to, changes to the client’s:

- risk profile;
- investment time horizon;
- investments needs and objectives; or
- any other change that could reasonably significantly impact the client’s net worth or income.

A significant change to the client’s KYC information may result in the information no longer being sufficient to enable ACPI and its Advisors to meet the suitability determination obligation, for example, where a client’s change in employment status (e.g., job loss) results in a change to their income, risk profile and investment needs and objectives, or where a significant change would require a complete re-collection of the client’s KYC information through the RPQ process.

Suitability

Suitability determination obligation

Before opening an account for a client, ACPI and its Advisors must determine that the action of opening an account and the availability of products and services (e.g., fee-based account or commission-based account, margin, etc.) are appropriate for the client given their particular circumstances and puts the client’s interest first. ACPI Advisors cannot determine suitability without first complying with the KYC and know-your-product (KYP) obligations.

When making a suitability determination, ACPI Advisors should use the information obtained while fulfilling the KYC and KYP obligations and apply professional judgement to identify securities or strategies that are suitable for a particular client. Before an ACPI Advisor takes or recommends an investment action for a client, they must determine that the investment action is suitable for the client based on their KYC information and puts the client’s interest first.

An “investment action” includes purchasing, selling, depositing, exchanging, or transferring securities for a client’s account; taking any other investment action for a client; or making a recommendation or decision to take any such action. Investment action also includes a recommendation or decision to hold securities or making determinations about how much cash to leave uninvested, both of which may occur when an ACPI Advisor conducts a suitability review of the securities in a client’s investment portfolio.

A suitability determination is required to be made before taking or recommending an investment action, and when any of the following triggering events occur:

- a new ACPI Advisor is designated as responsible for the client’s account;
- ACPI and its Advisors become aware of a change in a security in the client’s account that could result in the security or client’s portfolio not aligning with your investor profile; or

- we become aware of a significant change in your KYC information which could result in a change to your investor profile.

As part of the suitability obligation, ACPI Advisors should also determine that the order type, trading strategy, fee structure and method of financing the trade recommended and/or adopted are suitable for the client and put the client's interest first. ACPI Advisors should explain the features and associated costs of different types of accounts at ACPI that are available to the person, such as, for example, managed account, fee-based account or commission-based accounts, and recommend the account type that is most appropriate for the person and puts their interest first.

Suitability determination based on the client's portfolio of investments at ACPI

ACPI Advisors must make a suitability determination based on the overall client's portfolio of investments at ACPI. Where a client has multiple accounts with ACPI, the ACPI Advisor should consider whether a recommendation or decision for one account would materially affect the concentration and liquidity of the client's portfolio of investments across all of their accounts. Over-concentration in any one security, sector or industry can have a significant negative impact on the risk and liquidity in a client's portfolio of investments at ACPI. ACPI Advisors should consider a number of factors when determining appropriate concentration and liquidity, for example the type of security, market conditions, and redemption or other liquidity restrictions.

For example, ACPI Advisors should assess whether the client's portfolio of investments at ACPI are over-concentrated in:

- illiquid exempt market securities as compared to more liquid publicly traded securities;
- securities of a single issuer, or group of related issuers, as compared to a broadly based portfolio of issuers; or
- securities of an issuer, or related issuers, that provides exposure to a single industry or asset class, for example, real estate, as compared with a broadly based portfolio of issuers that provide exposure to diversified industries or asset classes.

Where a client's portfolio of investments at ACPI may appear to be over-concentrated in a particular type of security, sector or industry, the ACPI Advisor must document the investment strategy agreed upon with the client and be able to demonstrate how the client's portfolio of investments at ACPI is suitable for the client. For example, the client may only wish to invest a portion of their total investable assets with ACPI and the Advisor for certain products and services to pursue a specific investment objective and strategy.

Range of possible suitable recommendations

There may be several options or courses of action ACPI Advisors may take when recommending products or services to clients, or when making decisions for clients, that can meet the criteria for a suitability determination. An assessment by an ACPI Advisor of the suitability factors may result in a range of possible suitable recommendations or decisions for the client. However, when making a suitability determination, ACPI Advisors must put the client's interest first, ahead of their own interests and any other competing considerations, such as a higher level of remuneration, and must exercise their professional judgement when opting for one recommendation or decision among other suitable options.

Consideration of a reasonable range of alternatives

ACPI Advisors must consider a range of alternative recommendations or decisions available to them through ACPI when making a suitability determination. A reasonable range of alternatives will be based on the products and services offered by ACPI, the ACPI Advisor's proficiency (i.e., securities license category), and the client's particular circumstances.

Potential and actual impact of costs

IIROC interprets the term "cost" broadly to include:

- all direct and indirect costs, fees, commissions and charges, including trailing commissions; and
- all direct or indirect compensation which may be associated with:
    - a client purchasing, selling, holding, or exchanging a security; or
    - an ACPI Advisor making a decision for a client's managed account.

Costs can significantly impact a client's return over time. ACPI Advisors must assess the costs, and their potential impacts, of the options available at ACPI when making a suitability determination. ACPI Advisors should assess the impact on the client's return of any compensation paid, directly or indirectly, to ACPI and/or themselves as the ACPI Advisor, regardless of who pays that compensation. ACPI Advisors must put their client's interest first when making this assessment, and must document the reasonable basis for their conclusions.

Unsolicited trades that are unsuitable

ACPI Advisors are not obligated to accept a client order, if in their opinion it is not suitable based on the client's current KYC information. Where an ACPI Advisor receives instructions to place an order that they deem to be unsuitable for the client, it is not sufficient for the Advisor to simply take the order and mark it as "unsolicited". In such circumstances, the Advisor must:

- inform the client that the order is, in their opinion, unsuitable and advise against proceeding with the order;
- recommend an alternative action that the Advisor believes is suitable; and
- if, despite the Advisor's advice, the client insists on placing the order and the Advisor agrees to accept the order, carefully and thoroughly record the client's confirmation of their instruction to proceed with the trade despite the advice and recommendation to not proceed with the trade.

Effective Date & Approval

This policy is approved and becomes effective as of the last date signed below.

Name	Signature
Christopher J. Enright President Date: Dec 13, 2021	DocuSigned by: 1C4614F1542D4CF...
Michael S. Greer Executive Vice President Date: Dec 13, 2021	DocuSigned by: Michael S. Greer 988B1256D5E740B...

Appendix A – Risk Score Matrix

Risk Score Ranges	Investor Profile Descriptions
Risk Score (0-20)	If your risk score falls within this range, you wish to preserve your initial principal, with minimal risk, even if it means your portfolio does not generate significant income or returns and may not keep pace with inflation. Examples of such investors include those “who run for cover” and insist on having their asset allocation changed in response to such events as short-term market fluctuations, or the first sign of negative returns, and who constantly experience investor’s remorse.
Risk Score (21-40)	If your risk score falls within this range, you wish to invest in an income-producing portfolio which may include investment grade bonds and other securities that generate income, and generally have a lower possibility of loss.
Risk Score (41-60)	If your risk score falls within this range, you wish to accept a certain level of market risk and volatility, but only to ensure capital growth. Your portfolio should provide a balance between current income and capital growth.
Risk Score (61-80)	If your risk score falls within this range, you wish to invest in a growth-oriented portfolio which may include common stock and other equities with a medium to high possibility of loss. Your objective is for capital growth in exchange for the potential of price volatility in the investments. You are comfortable with the volatility of the market and seek out opportunities to take advantage of market weakness to add to your current positions.
Risk Score (81-100)	If your risk score falls within this range, you wish to maximize the eventual return on capital by investing in an aggressive-growth portfolio and/or high-risk trading strategies. You accept a higher possibility of loss in exchange for potentially greater investment returns.