

CLIENT RELATIONSHIP SUMMARY AS OF SEPTEMBER 26, 2022



Silver Heights Capital Management Inc. ("Silver Heights") is an investment advisory firm registered with the Securities and Exchange Commission (SEC). Brokerage and investment advisory services and fees differ and it is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

QUESTIONS YOU MAY HAVE:

Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose investments for my account?

What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

We offer investment advisory services to retail investors. Our services are generally only suitable for ultra-high net worth individuals and institutional investors who have a long investment time frame and do not have income needs from their portfolio. We provide fully discretionary investment management in separately managed accounts for each client. This means that we have full discretion to make investment decisions for the funds in your account without notifying you or providing you with a recommendation. Your account is managed as a discrete portfolio, meaning you hold individual securities or other investments, rather than units of a fund, in an account in your name. Accounts are monitored regularly by a financial professional and trades are initiated by us when we decide to make or reduce an investment. We have an obligation to assess whether the investments we make for your account are suitable for you, having regard to your particular circumstances. We manage your account based on an investment policy statement that forms part of your agreement with us. We offer a single, highly-concentrated investment philosophy focused on equity investments and generally do not tailor this philosophy to the needs of individual clients. Before opening an account and throughout the relationship we will, together with you, mutually determine if our investment approach is and continues to be appropriate for your circumstances. We review with you the performance of your investments, discuss portfolio holdings and update your information annually.

Our minimum account size is \$5 million, but we may waive or lower minimum account sizes on a case-by-case basis. Refer to our [Form ADV Part 2A brochure](#) for more information about the services we provide.

WHAT FEES WILL I PAY?

QUESTIONS YOU MAY HAVE:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

We charge a management fee of 1.5% per annum in consideration for the advisory services that we provide to you. These fees are payable monthly, in arrears, based on the month-end market value of your account, including cash, and are deducted directly from your account. Because we charge a fee based on the market value of your account with us, we have an incentive to encourage you to increase the assets in your account as this increases the fee to us. In addition to our management fee there are other costs that you will incur such as brokerage commissions, custodian fees, costs associated with foreign exchange transactions and taxes and duties. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Refer to Item 5 in our [Form ADV Part 2A brochure](#) for more information regarding the fees that you will incur.

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

QUESTIONS YOU MAY HAVE:

How might your conflicts of interest affect me, and how will you address them?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- Our founders and employees invest and trade in the same securities held by clients and, as a result, potential conflicts arise with respect to allocation of investment opportunities, purchases and sales of securities in connection with particular trading situations and allocation of personnel and resources.
- We use commissions paid by you to brokers for trades in your accounts to obtain research or other products/services. We receive a benefit because we do not have to produce or pay for the research products or services ourselves and, as a result, potential conflicts arise with respect to selecting brokers to execute trades for your account.

Refer to Item 11 and Item 12 in our [Form ADV Part 2A brochure](#) for additional information about these and additional conflicts of interest.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Our financial professionals are paid a fixed salary and a discretionary bonus based on, among other things, the overall profitability of the firm. Additionally, as the owners of Silver Heights, their total compensation includes the residual profits of the Firm, after all expenses, distributed in the form of dividends or additional bonuses. This creates a conflict to recommend that clients increase the assets that they invest with Silver Heights.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

QUESTIONS YOU MAY HAVE:

As a financial professional, do you have any disciplinary history? For what type of conduct?

No, neither Silver Heights, nor its financial professionals have any disciplinary history. You may visit www.investor.gov/CRS for a free and simple search tool to research Silver Heights and our financial professionals.

WHERE CAN I GET ADDITIONAL INFORMATION?

QUESTIONS YOU MAY HAVE:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

If you would like additional, up-to-date information or a copy of this disclosure, please call (416) 342-5624 or visit our website at www.silverheights.com. Our [Form ADV Part 2A brochure](#) includes more information about Silver Heights Capital Management Inc.

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