Conflict of Interest Statement

In this Conflict of Interest Statement, we are providing you with information relating to material conflicts of interest that might be expected to arise between Silver Heights Capital Management Inc. ("Silver Heights") and its clients or between different clients of Silver Heights.

Conflicts of interest are inherent in business relationships. As it relates to your relationship with Silver Heights, conflicts of interest may arise where:

- The interests of Silver Heights or its employees, and your interests as our client, may be inconsistent or different.
- Silver Heights has an obligation to more than one party or client, and those parties have interests which may be inconsistent or different.
- Benefits available to Silver Heights, or negative consequences possible to Silver Heights, may affect the trust that you have in us. These benefits may be monetary or non-monetary in nature.

A conflict is considered material if it may reasonably be expected to affect the decisions you, our client, might make in a particular situation or the decisions or recommendations that we make in managing your account(s) with us.

Consistent with the regulations, good business practice, and the level of service that we wish to provide, Silver Heights endeavors to proactively identify reasonably foreseeable conflicts of interest and respond to such situations, fairly and reasonably and in the best interest of our clients. We have adopted a written code of ethics ("Code of Ethics" or the "Code") that sets forth standards of conduct expected of employees and that requires all employees to place client interests ahead of Silver Heights' interests or their own. Where this is not possible, our policy is to avoid the situation that creates a material conflict of interest.

The material conflicts of interest identified by Silver Heights and the controls we have in place designed to address these conflicts, with your interests coming first, are detailed in the information that follows. This information is intended to assist you in evaluating our business practices, conflicts management and overall performance on an ongoing basis. It is important for you to understand where potential conflicts exist, and what the impact of those potential conflicts might be, in order for you to assess the suitability of your relationships with Silver Heights, and to advocate for your own interests.

We invite you to contact Kevin Kuebler, Portfolio Manager & Co-founder at kkuebler@silverheights.com or 416-342-5625 with any questions.

As you read the conflicts below, we felt the following description might be useful, specifically as it relates to the sections on:

- Conflicts of interest related to proprietary products distributed by Silver Heights; and
- Related and Connected Issuers.

Silver Heights conducts business in various Canadian jurisdictions under three different registration categories:

- Portfolio Manager – This governs our traditional business of managing individual segregated investment accounts (sometimes called a separately-managed account or "SMA") for our clients, as well as the marketing and sales of these services.
- Investment Fund Manager – The management of any pooled funds is governed by this registration.
- Exempt Market Dealer – This allows Silver Heights, under various prospectus exemptions, to sell units of our pooled funds directly to those who are not separately-managed account clients of the firm.

There are both real and perceived conflicts that may arise from offering both separately-managed accounts and pooled funds. The following two points provide a framework for assessing many of those potential conflicts – this applies both to you as a client, and to Silver Heights as a manager.

1) For most conflict-related purposes, a pooled fund can be thought of as just another separately-managed account managed by Silver Heights. A pooled fund may be larger than many SMA's, and it may have multiple beneficial owners, and it may utilize more complex structuring, but it will generally be treated the same as any other account managed by Silver Heights. When we refer to clients in the following document, this includes any fund managed by us.
2) Our first fund, the Silver Heights Select Fund, will apply the same investment approach that is used in managing our separately-managed accounts, and will own the same securities that are owned in a separately-managed account with the same mandate and of the same vintage.

Conflicts of interest relating to personal trading by employees of Silver Heights

Silver Heights employees may own or trade in securities for their own account. These securities may be, and senior employees are encouraged to own, the same securities that are owned in separately-managed accounts and funds managed by us ("proprietary funds"). Further, employees may also be clients of Silver Heights.

Silver Heights has established a Code of Ethics that sets out standards for conduct and a personal trading policy that includes procedures to monitor personal trades of all employees. Every employee must obtain prior written approval for trades in securities in personal accounts and accounts over which they have a beneficial ownership or control. In addition, all employees must sign a certification of all personal securities holdings on a quarterly basis and this is reviewed by

Silver Heights' Chief Compliance Officer ("CCO"). Silver Heights' personal trading policies provide that no client, including any proprietary fund, is disadvantaged by the transactions executed by any employee and that no employee misappropriates any benefit properly belonging to a client.

Employee accounts that are managed by Silver Heights are treated in the same manner as all other client accounts.

Conflicts of interest resulting from the profit motivation of Silver Heights as a business, and the compensation motivation of employees

Silver Heights was established, and continues to exist, as a for-profit business enterprise. These profits are derived from revenues paid by clients. Revenues from clients also fund the compensation paid to employees of Silver Heights. Certain employees are compensated only upon the successful introduction of clients. This creates a potential conflict of interest due to the incentive for these employees to put their interests ahead of potential or current clients. Silver Heights has implemented policies to mitigate the risk to clients' interests. Employees compensated for successful client introductions do not participate in investment decisions, they do not assess suitability of investments for clients, and their compensation is earned and paid over a multi-year period. In addition, client accounts may not be opened nor units of a proprietary fund distributed without the approval by supervisory staff of the firm including the firm's registered individuals and the CCO. Any compensation paid will not result in higher investment management fees being paid by any client. Silver Heights does not assign sales or revenue targets to staff who have compliance or supervisory roles.

The ultimate responsibility for the firm's activities rests with the two owners of the firm who are entitled to the residual profits of the business. As owners, they have the ultimate long-term incentive to manage the risk to and the reputation of Silver Heights.

Conflicts of interest related to non-Silver Heights activities of employees

Employees of Silver Heights may engage in activities outside of their jobs at Silver Heights. These may include a range of business, charitable, or community activities.

Employees must report specific outside activities or relationships to the CCO. Certain of these roles or relationships must be approved by the CCO. Approvals are contingent upon Silver Heights being able to gain comfort that these activities will not compromise the interests of Silver Heights' clients nor interfere with the employee's duties at Silver Heights.

Conflicts of interest related to proprietary products distributed by Silver Heights

Silver Heights has only a proprietary investment offering. This is the case whether we are acting directly as a portfolio manager managing investments in a separately managed account, or through distribution of units of a proprietary fund. We have a specific investment philosophy, and while investment mandates may be tailored for various reasons, our broad investment approach remains consistent, and the scope of our business is limited and does not generally include the distribution of third-party investment products.

There is a potential conflict due to the fact that we are only providing you access to investments where we receive management fees and are not providing you with access to a wider universe of investment funds or mandates of third-party managers. Because Silver Heights offers a limited investment mandate, the suitability determination that we conduct (if applicable) will not consider the larger market of non-proprietary products or mandates or whether those non-proprietary products or mandates would be better, worse or equal in meeting your investment needs and objectives.

To manage the conflicts inherent in making investment recommendations or taking investment actions for your account in proprietary products only, we will only cause your separately managed account to be invested in securities of a proprietary fund or distribute units of a proprietary fund to you if we consider such securities to be suitable for your account and we consider that investing in such securities is in your best interest, unless you are a Permitted Client who has waived our suitability obligation.

Conflicts of interest related to Related and Connected Issuers

Silver Heights may engage in activities as a portfolio manager managing client assets in separately-managed accounts on a fully discretionary basis, as an investment fund manager managing the assets of and acting as the trustee for proprietary funds, and as an exempt market dealer distributing units of these funds. We do so only in compliance with applicable securities laws.

Under securities regulations, a proprietary fund is considered to be an "issuer". Silver Heights is deemed to be "related" and/or "connected" to its proprietary funds by virtue of the direction and control we exercise over the funds as manager and trustee and the related fees we receive. Currently, the only related and connected issuer of Silver Heights is the Silver Heights Select Fund. We may from time to time be deemed to be related or connected to one or more other issuers for the purposes of the disclosure and other rules of securities laws. A revised version of this document will be provided if this occurs.

In executing our duties in each of our roles, we will do so in good faith and with a view to the best interest of all of our clients, including any funds that we manage and their unitholders.

Silver Heights will not receive any compensation from a proprietary fund in connection with the distribution of interests of that fund as exempt market dealer. There are no commissions payable to us on the sale of the securities of a proprietary fund. We do earn fees from our ongoing

management of proprietary funds and we will not "double-charge" any investment management fees. If investment management fees are charged by Silver Heights directly to a series of units of a proprietary fund held by a Managed Account, no additional investment management fees will be charged to that Managed Account with respect to those assets.

Proprietary funds are subject to the same considerations regarding conflicts of interests between separately-managed account clients, including fairness in the allocation of investment opportunities. Please see the section on this topic, below.

Conflicts of interest relating to best execution of trades and the use of client brokerage commissions

There are a number of alternative providers of the trading services required by Silver Heights to buy and sell securities. These executing brokers provide services to both clients and Silver Heights, and receive commissions paid by client accounts, including accounts of Silver Heights proprietary funds.

Silver Heights has trading policies governing trade execution and the use of trading commissions. Silver Heights selects brokers or dealers for trade execution with the best interest of the client being the paramount consideration. Silver Heights directs the payment of commissions to executing brokers to effect transactions with the understanding that the executing broker may apply a portion of these commissions towards research and other brokerage-related products and services. These products and services are part of the investment process and benefit all clients over time. They are limited to those that are permitted by applicable Canadian securities laws.

Silver Heights monitors trade execution and commissions paid on an ongoing basis with the goal of ensuring that commissions paid are reasonable in relation to the combined value of the research and brokerage services provided by the executing brokers. The low frequency of trading and typically long investment hold period result in low commission costs overall, allow for significant oversight of trades and assist in mitigating the potential for conflict in this area.

Conflicts of interest between clients, including fairness in the allocation of investment opportunities

Silver Heights serves a number of clients, including proprietary funds. The specific circumstances and objectives of each client may vary, and each client typically accesses the services of Silver Heights through a unique investment account. Further, on occasion, demand for investment opportunities amongst client accounts may exceed the supply Silver Heights is able to secure.

Silver Heights has established policies intended to provide for the fair allocation of investment opportunities across all accounts. Investment allocations are determined prior to submitting an aggregated trade to a broker for execution. Once an order is filled, individual trades are processed into individual accounts using the average price obtained for the entire order. Any partial fills are allocated pro-rata unless that is impractical and, in those cases, the allocation is done in a manner

that does not systematically favor one client over another. In addition, potential conflicts among client accounts are mitigated by the nature of Silver Heights' investment program, which generally focuses client investments on a relatively small number of liquid securities.

Silver Heights does not generally effect transactions in which a client purchases securities from, or sells securities to, another client (*i.e.* cross trade) and would only contemplate such a trade where it is determined that this is in the best interest of both clients and complies with the firm's Code of Ethics and applicable regulations.

Conflicts of interest arising from Silver Heights or its employees possessing material non-public information

In the normal course of our investment research, Silver Heights or its employees may come into possession of material non-public information (sometimes called "inside information") about businesses which issue public securities. Further, Silver Heights or its employees may have business, family or other relationships with individuals who may have material non-public information about public companies or security issuers.

Silver Heights has established a Code of Ethics that includes policies prohibiting any employee from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding those securities or communicating material non-public information to others. Silver Heights' investment research process does not typically result in the receipt of material non-public information and Silver Heights tries to avoid being in possession of such information. Stringent regulations govern the area of trading on material non-public information (sometimes called "insider trading"). These regulations take precedence over client interests, and Silver Heights will endeavour to take such actions, or refrain from taking actions, as required by law, regulation, or policy governing material non-public information, even where such action or inaction is to the detriment of client interests. Additionally, in circumstances where employees have relationships with individuals who may possess material non-public information, Silver Heights may choose, in light of the specifics of a conflict, not to make an investment in the securities impacted by that material non-public information.

Additional Information

Silver Heights' Relationship Disclosure Information document provides additional information relating to our policies and practices governing personal trading, fairness in allocation of investment opportunities, best execution of trades and the use of client commissions.

How to Reach Us

General/Main

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