

Relationship Disclosure

R.J. O'Brien & Associates Canada Inc. (RJOC) believes the best way to help you meet your trade & risk objectives goals, and for us to keep serving you as a valued client, is to provide you with the account type(s) and access to markets in a way that best suits your needs.

We want to help you manage your trade strategies in the way you are most comfortable with in the changing environment in which we live. We think we can do this most successfully if we both know what to expect from each other. For this reason, we would like you to have a good understanding of the products and services we offer; the features of your account(s) and how it/they operate(s); and our responsibilities to you.

We also want you to understand how your input through the "Know Your Client" (KYC) form you complete is critical to our meeting your expectations. Securities regulators have recommended that we promote active client participation for a mutually successful relationship. Regulatory guidance NI 31-103 suggests us to ask you, the client, to:

- **Keep us up to date.** *Clients should provide full and accurate information to the firm and the registered individuals acting for the firm. Clients should promptly inform the firm of any change to information that could reasonably result in a change to the types of trade strategies or volumes that may be appropriate for them, such as a change to their income, risk tolerance, or net worth.*
- **Remain informed.** *Clients should understand the potential risks of their positions and only trade in contacts that they fully understand. They should carefully review sales literature provided by the firm. Where appropriate, clients should consult professionals, such as a lawyer or an accountant, for legal or tax advice.*
- **Ask us questions.** *Clients should ask questions and request information from the firm to resolve questions about their account, transactions, or their relationship with the firm or a registered individual acting for the firm.*
- **Stay on top of your positions and accounts.** *Clients should settle margin calls promptly. They should review all account documentation provided by the firm and regularly review risk strategies employed and positions held.*

RJOC will update the Relationship Disclosure (RD) when there are material changes and subsequently refer you to our website for our most current (RD). If you later have any questions related to the contents of this document, or need to change your KYC information, please contact your Account Executive. You will be provided with a copy of the KYC information that we get from you at the time of account opening and when there are materials changes to the information.

The service(s) and products RJOC offers

RJOC provides only **advised accounts** for its retail clients. In the future RJOC may offer managed accounts.

Products

We offer the following investment products:

- Retail, full service futures & futures options accounts
- Retail, Suitability- exempt commodity futures & futures options account
- Retail Foreign Exchange accounts (*except Alberta & Quebec)

Your advisor can explain these investment products to you, as well as how they work, their risks and possible returns, and whether they are appropriate for you.

The account(s) you have and how they operate

RJOC offers its retail clients both advisory and self-directed accounts for commodity futures & futures options, and advisory accounts for foreign exchange trading . Your advisor is responsible for providing suitable and unbiased recommendations to you that meet the standard of care expected of a trained investment professional based on the KYC information that you provided to us. You (or your authorized representative) direct(s) all trading and is (are) responsible for all trade decisions in your account

The fees you may be paying and how they are calculated

All fees are disclosed as required by regulations and vary depending on the accounts and services you use.

We currently offer only commission based accounts.

Commission-based account

RJOC charges a commission for each trade made in your account, based on a flat dollar amount that is negotiated between the client and the advisor servicing the account, and is negotiated before the trade is executed in your account. The commission will be disclosed on your daily statement.

Interest charge

If your account(s) is (are) in a debit position, we will deduct an interest charge from these account(s). The interest rates are available upon request.

Foreign Exchange

Exchange rates are available upon request.

Service Charges and Fees

Other Service Charges

•	Full Account Transfer-out	\$100
•	Wire Transfer	\$ 25
•	Certified Cheque	\$ 25
•	Cheque- Not Sufficient Funds	\$ 75
•	Cheque Stop Payment	\$ 25
•	Bank Wire-In Fee	\$10

Minimum Account Fees

R.J. O'Brien & Associates Canada Inc. reserves the right to charge a minimum account fee. The account holder will be notified of the minimum asset level and the fee amount, no less than 60 days prior to the charging of the fee.

Miscellaneous Fees

Any miscellaneous fees for service provided by other institutions, such as for 3rd party trading platforms, will be charged through at cost. Details available upon request.

How RJOc assesses the suitability of your trading

Before we provide you with recommendations as to which futures or futures options contracts to purchase, or if you ask us to buy or sell a specific futures or futures option contract, we will first see if we believe that trade is suitable for you according to our understanding of the information you have given us when you completed the KYC form.

That is why keeping this KYC form up to date and accurate is very important. If the information provided on your KYC form is not up to date, we might determine that the order you provided to us is not suitable for you in the context of our overall assessment of that information. In that case, we must advise against proceeding with the order.

The suitability factors that guide us in our decision as to an investment's suitability include what we understand by your current:

Financial situation

What financial assets (deposits and investments) and liabilities (debt and mortgage) you have and the sources and amount of your income - we will consider the size of any transaction compared to the overall value of your net financial assets (assets minus liabilities).

There is significant leverage available in trading commodity futures, much more so than securities, and it is therefore necessary to ensure that you have the available liquidity to ensure that commodity futures and/or foreign exchange trading is suitable for you.

Futures/Futures Options/Foreign Exchange Trading Knowledge (experience)

It is expected that over a period of time with increasing exposure to various products your level of experience should increase as you would have more exposure to different markets and how different contracts trade. We therefore ask how many years of trade experience you have as a

further guide on what would be suitable for your account.

Risk tolerance

Risk tolerance for your accounts is a function of both ability to take risk and willingness to take risk. We make this determination based on whether you have a full service advisory account or whether it is a suitability-exempt self-directed account.

Full service risk tolerance: As noted on your NAAF, we assign what is called “risk capital” to your account. This is defined as the amount of money you can reasonably afford to risk, if you lost the entire amount, without affecting your standard of living. This is why it is critical that we have accurate information as to your total financial overall picture. It should also be noted, that for this same reason, a client may request a specific risk capital figure, but our analysis will not permit that total figure and will grant a lesser amount. Under no circumstances, however, will a risk capital figure be assigned that is **higher** than that requested by a client unless that client has agreed to that higher figure in writing, and it has been approved by RJOC Compliance.

Online Risk Tolerance: As noted on the NAAF, we assign what is called “net loss tolerance figure” to this type of account. This is very different than the “risk capital” that is assigned to full service accounts, and this is because these types of accounts are suitability- exempt due to the fact that you are conducting your own trading without the assistance or advice of an industry professional.

Instead, the risk tolerance assessment is a function of a client’s overall liquidity. Again, this is why an accurate portrayal of your overall financial picture is critical to this assessment. We need to ascertain, with this type of account, that you have the liquidity available to cover your requested loss level. Our risk assessment at this level is firm risk, not client risk. From this assessment, we may not permit the entire requested net loss tolerance level if our assessment determines that your liquid assets may not protect the firm. Under no circumstances, however, will a net loss tolerance figure be assigned that is **higher** than that requested by a client unless that client has agreed to that higher figure in writing, and it has been approved by RJOC Compliance.

Futures, Futures Options & Foreign Exchange are NOT Investments

It is critical that our clients understand that futures, futures options, and our foreign exchange offerings are NOT investments, and we therefore do not consider your time horizon or investment objectives. Trading in futures, futures options, and foreign exchange on a speculative basis carries substantial risk of loss.

We operate only speculative and hedge accounts, and each is defined as follows:

Hedge Accounts: Excerpt from CFTC Rule 1.3(z) for a bona fide hedge trade is as follows:

General definition. Bona fide hedging transactions and positions shall mean any agreement, contract or transaction in an excluded commodity on a designated contract market or swap execution facility that is a trading facility, where such transactions or positions normally represent a substitute for transactions to be made or positions to be taken at a later time in a

physical marketing channel, and where they are economically appropriate to the reduction of risks in the conduct and management of a commercial enterprise, and where they arise from:

(i) The potential change in the value of assets which a person owns, produces, manufactures, processes, or merchandises or anticipates owning, producing, manufacturing, processing, or merchandising,

(ii) The potential change in the value of liabilities which a person owns or anticipates incurring, or

(iii) The potential change in the value of services which a person provides, purchases, or anticipates providing or purchasing.

(iv) Notwithstanding the foregoing, no transactions or positions shall be classified as bona fide hedging unless their purpose is to offset price risks incidental to commercial cash or spot operations and such positions are established and liquidated in an orderly manner in accordance with sound commercial practices and, for transactions or positions on contract markets subject to trading and position limits in effect pursuant to section 4a of the Act, unless the provisions of paragraphs (z)(2) and (3) of this section have been satisfied.

The full details of the CFTC Rule can be accessed here:

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=46aaa72406979e93d8066e23c86161d8&rgn=div8&view=text&node=17:1.0.1.1.0.2.3&idno=17>

Speculative Accounts: This definition is much easier as it does not involve business interests of risk mitigation, but instead is, as defined by the CFTC:

“In commodity futures, a trader who does not hedge, but who trades with the objective of achieving profits through the successful anticipation of price movements.”

As noted earlier then, and in summary, this is why futures, futures options, and foreign exchange are NOT investments.

The Reports That Help Monitor Your Financial Assets. Their Performance. And The Fees & Charges You May Pay To RJOC Or To Third Parties

Daily Statements

We will provide you with written daily statements of the details of every purchase and sale in your account(s) by email on the day the transactions are completed, or by regular mail if you have so selected on your NAAF. Please review your statement as soon as you receive it as there are significant consequences if you do not report errors, omissions, or discretionary trading on a timely basis.

Account statements

We will mail you a monthly statement(s) for March, June, September and December at no cost to

you. All month end statements will be sent free of charge via email or, at cost via regular mail, every month end where a transaction occurs.

Every daily and/or monthly statement or other communication sent by R.J. O'Brien & Associates Canada Inc. shall be deemed to have been acknowledged as correct, being approved upon, by the client. Unless we shall have received written notice to the contrary **within two days after it is sent to the Client.**

Risk Capital/Net Loss Tolerance

RJOC monitors for life-to-date profit and loss figures internally. While your statements will reflect month and life to date figures, you can request from your advisor at any time to provide you with your life-to-date loss figures for accounts that are held at RJOC. Regardless, RJOC will notify your Advisor automatically when your account has hit either the risk capital (full service advisory accounts) or net loss tolerance figures (self-directed suitability exempt accounts) thresholds and it will be solely your determination at that point if you:

- liquidate any existing positions with negative open trade equity
- continue to hold these positions with the desire to "ride out the market", and request a risk capital update (subject to an additional form stating this & the approval by Compliance of an updated risk capital/net loss tolerance figure)

If the form requesting open trades with negative open trade equity can be maintained, RJOC maintains its right to liquidate these positions upon notification to the client to mitigate our risk.

Checklist of documents to be provided to you

- Copy of your New Client Application Form (NCAF)
- Disclosures:
- RJOC's written Complaint Handling Procedures
- An Investor's Guide to Making a Complaint
- Canadian Investor Protection Fund (CIPF)
- Introducing Carrying Broker Disclosure Statement (if applicable)
- Options Agreement
- Welcoming letter from the President
- Customer Relationship Disclosure

Complaint Handling Procedures

Complaints

R.J. O'Brien & Associates Canada Inc. ("RJO Canada") has created an internal process for documenting, handling and resolving complaints in an efficient and expedient manner.

The fair and timely handling of client complaints is vital to the overall integrity of the investment industry. RJO Canada regards the handling of all client complaints as an essential element of the proper servicing of client accounts generally, and believes an effective framework for dealing with client complaints is in keeping with appropriate standards of professionalism for the industry

What Constitutes a Complaint?

- A "complaint" can be against RJO Canada, the Account Executive on the account, or any other employee of RJO Canada.
- A complaint is any verbal or recorded expression of dissatisfaction alleging misconduct.

The following are defined as misconduct:

- allegations of breach of confidentiality
- theft, fraud
- misappropriation or misuse of funds or securities
- forgery
- unsuitable investments
- misrepresentation
- unauthorized trading relating to the client's account(s)
- other inappropriate financial dealings with clients

Note that a mistake or oversight is not misconduct. In the unlikely situation that you have a complaint, RJO Canada encourages you to follow the steps outlined here.

Step 1 - Contact your Investment Advisor

In many instances complaints may be simple misunderstandings and may be resolved quickly, over the telephone or in person. As a first step, please contact your Account Executive if you have questions or concerns about a particular issue.

Step 2 - Send us your complaint in writing

If the problem you have is not solved to your satisfaction after completing Step 1, please detail your complaint in writing and send it to us. Copies of your correspondence should be sent to your Account Executive, to the Branch Manager of the office where your Account Executive works and to:

Attention: Lora Miller
Chief Compliance Officer/Designated Complaints Officer
R.J. O'Brien & Associates Canada Inc.
195 Commerce Drive
Winnipeg, MB R3P 1A2 Canada

Once we have your complaint in writing it will be handled in accordance with our complaint process. Within 5 business days of our receipt of your complaint you will receive an acknowledgement of your complaint from the Designated Complaints Officer with a description of next steps to be taken by us as well as other information such as a designated contact person, complaint reference number, the protocol you should follow once you have sent your complaint to us and the timelines which we follow in order to process your complaint in a timely manner. The entire process should take no longer than 90 days before you are in receipt of a substantive response letter from the Designated Complaints officer, which will include the following information;

- A. A summary of your complaint
- B. The results of our investigation
- C. Our final decision on the complaint, including an explanation; and
- D. A statement describing your options available to you should you not be satisfied with our response

Step 3 - Other options available to you

If, following Step 2, your complaint has not been resolved to your satisfaction there are other options available to you (IIROC Enforcement, Ombudsman for Banking Services, ("OBSI"), and Arbitration). OBSI will consider a client complaint at the earlier of

- (i) the date the complaint substantive response is provided to the client; or
- (ii) 90 days after the receipt of the complaint.

RJOC & Approved Person conflicts of interests

RJOC will disclose to you existing and potential material conflict that cannot be avoided. **See page 8 to page 12** of this document under Conflicts of Interest and Statement of Policies for our procedures and disclosures regarding our handling of conflicts of interest.

Conflicts of Interest

General Description

Actual, potential and perceived conflicts of interest exist in almost all human interactions. Our relationship with you is no different. For instance, R.J. O'Brien & Associates Canada Inc. ("RJO") is a "for profit" business and has a responsibility to maximize economic returns for our shareholders. As well, RJO has various other stakeholders, all of whom rely on RJO to operate profitably in order to honor the interests of those stakeholders as expected under the *Canada Business Corporations Act* ("CBCA") and pursuant to securities industry financial compliance regulations. We believe the best way to achieve our goals is to provide you with trusted advice and personalized financial solutions that help you achieve your financial goals. Our objective is to serve your trading (speculators) and risk management (hedgers) goals, which is our best way to retain your continued patronage and, in turn encourage you to recommend our services and products to others.

We have prepared these summaries as part of our commitment to conflict of interest management practices, and also to help you better understand conflict issues that may arise. In addition to our objective to serve your financial goals in alignment with our business interests, Canada has comprehensive and extensive securities regulatory rules and regulations, many of which are directed at protecting client interests, including dealing with conflicts of interest. We suggest that you refer to the websites and publications of the provincial securities commissions through the Canadian Securities Administrators ("CSA") and Investment Industry Regulatory Organization of Canada ("IIROC") for more information on how Canadian securities regulations address conflicts of interest in order to safeguard the investing public.

Description of Member Firm

RJO is what is referred to as an "Futures Commission Merchant", more familiarly known as an "FCM". Our client accounts are held in our name, but in an omnibus arrangement with our sister FCM, R.J. O'Brien & Associates LLC (RJOUS), except for ICE Canada positions which are booked directly to RJO. All trades shown on your client statements, regardless of account type, are held by RJOUS in segregation from the accounts of other brokerage firms. RJOUS executes, settles, and reports all your trade activity to you and provides RJO (and consequentially to you) with a contractual indemnity assuring you that the trades shown on your statements are held by them as custodian. If, under any circumstance, any trade activity for your account is not reported on a daily statement and/or your monthly statement, immediately report such omission to RJO Head Office Compliance since such an event is a violation of our operating policies and procedures. Conflicts of interest may still arise despite the intentions of our strategic planning to limit them.

You can learn more about our firm at www.rjocanada.ca

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

- Conflicts of interest between you and us,
- Conflicts of interest between you and our other clients, and
- Conflicts of interest between us and our related and associated companies.

Description of Role of a Futures Commission Merchant

As an FCM, our business model is to act solely as agent, we do not conduct principal trades (ie: where we take the opposite side of your transaction and therefore deal in our own “inventory” of positions). We simply facilitate transactions between you, as our client, and the exchange which acts as the other side of the transaction. Through such an "agency" trade we have no ownership interest in the contract traded. This financial intermediary role for our retail clients is RJOE's sole line of business.

Management of Conflicts of Interest

In general, we deal with and manage relevant conflicts as follows:

- **Avoidance:** This includes avoiding conflicts that are prohibited by law as well as conflicts that cannot effectively be addressed.
- **Control:** We manage acceptable conflicts through means such as physically separating different business functions and restricting the internal exchange of information between these divisions and Advisors.
- **Disclosure:** By providing you with information about conflicts, you are able to assess independently their significance when evaluating our recommendations and any actions you and we may agree to take.

The following information is intended to assist you in understanding and assessing material potential and actual conflicts of interest, including how we address them. This is an overview of a complex subject. Despite that, we believe the simplest control is the most effective — your continued satisfaction and patronage. ***If you ever have any questions or concerns, whether they involve conflicts of interest or any other matter, do not hesitate to say so and ask your Advisor for an explanation and more information. If you are not satisfied with the response you receive contact RJOE Compliance at our Head Office.***

Possible Conflicts and How They are Managed

Conflict of Interest	Address By	How Conflicts Will be Addressed
We earn compensation by selling products and services to you for which you pay us.	Disclose Control	<ul style="list-style-type: none">- We endeavour to be fully transparent in disclosing fees and commission, and to fully inform you in advance when possible, so that you know what you will be paying.- Please refer to the Fee Schedule as disclosed in your NAAF
We would like you to use	Disclose	<ul style="list-style-type: none">- Where we use referral

<p>more of the services offered by an external organization or group; and/or buy more of the products offered by an external organization or group</p>	<p>Control Avoid</p>	<p>arrangements, we disclose and manage them according to regulatory standards.</p> <ul style="list-style-type: none"> - We have policies & procedures, against which we monitor our advisors' activities, prohibiting recommendations solely for the purpose of generating revenue for us without any benefit to you.
<p>RJOC does not produce its own research on commodity futures or futures options. RJOC distributes research that is produced by third parties.</p>	<p>Control</p>	<ul style="list-style-type: none"> - Industry regulations provide for formal and required standards of practice to produce and distribute research. If RJOC begins to produce its own commodities research, we will comply with all regulations. - IIROC regulations govern the distribution of third party research and RJOC has written procedures to address such requirements.
<p>Individuals may serve on board of directors or take on other activities that could take time or attention away from your account</p>	<p>Avoid</p>	<ul style="list-style-type: none"> - Securities legislation prohibits an individual from serving as a director of another registered firm that is not an affiliate of our firm. - When an advisor or representative sits on a board of directors of a charity or undertakes other community activities in any substantive way,

		they are subject to regulatory guidance on the disclosure and approval of outside business activities.
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Order Execution

In a multiple marketplace environment, certain types of orders may have specific handling implications. Unless otherwise specified, orders will be handled in accordance with the description provided in this document

Market Order

A market order is an order to buy or sell a security at whatever prices are available in a marketplace to help ensure a complete and full fill.

Limit Order

A limit order is an order for a security at a specific minimum sale price or a maximum purchase price set by the client. If a limit order is not immediately executable, these orders will remain in that market until the order is filled, cancelled or expired.

Day Orders

A Day order instructs the receiving marketplace to automatically expire the order if it is not executed in the same trading day.

Good Till Cancel Order

Good Till Cancelled Orders (GTC) specify that the order remains active until the client cancels the order, or until the order exceeds its set duration and thus expires.

It is the client's responsibility to ensure they know what the date of expire will be and to contact their Advisor on or before the order's expiry date should they want the order re-instated.