



CONFLICTS OF INTEREST DISCLOSURE STATEMENT

Sionna Investment Managers Inc. (“Sionna”) is an independent investment management company incorporated under the laws of Canada. Sionna is entirely owned by senior members of staff and the firm’s only office is located in Toronto, Ontario.

Sionna is in the business of providing investment advisory services to its Clients. Sionna manages the Sionna Pooled Funds and may use those funds to manage some Clients’ accounts under fully discretionary investment management agreements. Additionally, a Client may subscribe on its own to purchase units of a Sionna Pooled Fund directly, through execution of a subscription agreement. Sionna also provides advisory services for separately managed Client accounts that invest directly in a portfolio of securities and other investments.

While Sionna’s business has not changed, there have been some recent changes in Canadian securities regulation that affect advisors, dealers and fund managers doing business in Canada. Sionna is and always has been registered to provide discretionary portfolio management services to its Clients. Sionna is, or after a permitted transition period of up to a year, will be required to be registered with securities regulatory authorities to be an ‘investment fund manager’, as Sionna is responsible for the day-to-day business and affairs of the Sionna Pooled Funds sponsored by it. Lastly, while Sionna is not in the business of trading securities generally, it has been registered in the appropriate categories in each province in Canada to enable Clients to invest in the Sionna Pooled Funds managed by Sionna whether the Fund is selected by Sionna under its discretion or by the Client.

Under the new regulations, Sionna, in each of its registrant roles, is required to identify material conflicts of interest which would be expected to arise between Sionna (including each individual, acting on its behalf) and its Clients. Further, if a reasonable investor would expect to be informed of the nature and extent of an identified conflict of interest, Sionna must do so. The purpose of this Conflicts of Interest Disclosure Statement is to provide Sionna Clients with a description of such conflicts as a registrant firm with roles as **advisor**, **investment fund manager** and **dealer** might encounter and the measures Sionna has taken to prevent, avoid, and mitigate such conflicts.

1. Referral Arrangements with Affiliated Managers and Third Parties - Sionna has no referral arrangements with other parties and does not pay or receive referral fees.

2. Investments in Related or Connected Issuers - A related issuer means a person or company that influences or is influenced by, through ownership or direction and control over voting securities, another person or company. Sionna is an independent firm, owned entirely by senior members of the company and is not influenced by any other person or company.

A person or company is connected to another person or company if, due to its relationships with such person, a prospective purchaser of securities of the person or company might question the other person or company’s independence from the first person or company. Clients of Sionna may invest in Sionna’s Pooled Funds for which Sionna serves as manager. As such, the Sionna Pooled Funds may be ‘connected issuers’ of Sionna. If Sionna is recommending a Sionna Pooled Fund to a Client, Sionna will disclose its relationship or connection to such fund or other connected issuer to the Client and receive the Client’s written consent to the investment.

3. Investments in Certain Other Issuers - If any of the partners, directors, officers, employees or agents of Sionna are also partners, directors or officers of an issuer, Sionna will not cause an investment portfolio managed by it, including the Sionna Pooled Funds, to invest in securities of such issuers without the prior written consent of the Canadian Clients to do so after disclosure of that fact has been made.

4. Principal Transactions and Cross Trading Securities - Under Canadian regulations, Sionna is subject to certain restrictions from engaging in principal transactions with or on behalf of its Clients and from cross trading securities between Client accounts. In particular, without exemptive relief from regulatory authorities, Sionna will not knowingly cause any Client investment portfolio managed by it (including the Sionna Pooled Funds), to purchase or sell securities from or to (i) Sionna, (ii) any directors, officers or associates of Sionna, or (iii) any investment funds managed by them (including the Sionna Pooled Funds sponsored by Sionna).

5. Best Execution and Soft Dollars - When placing orders for and on behalf of Clients' accounts, Sionna will select those brokers and dealers from whom they reasonably expect to obtain the best execution (after considering all transaction costs and research or other benefits).

Soft dollars create a perceived or potential conflict of interest; as a result, Sionna does not use soft dollars. A copy of the best execution and soft dollar policies of Sionna may be obtained upon request.

6. Marketing, Promotion and Sale of Sionna Pooled Funds - Sionna's services as advisor and dealer are integrated and generally not separable from each other when it acts as dealer on the trade in the Sionna Pooled Funds. In such circumstances, Sionna does not receive any separate compensation for acting as a dealer on the trade. Sionna's interest is in the fees paid to it by the Client or the Sionna Pooled Fund for its management and advisory services. Sionna may from time to time solicit orders from Canadian Clients for and trade in the Sionna Pooled Funds. Sionna does not receive any commission or similar selling compensation for acting as a dealer on such trades for its Pooled Funds. Sionna does not search for or recommend funds which are not sponsored or managed by Sionna.

The Company has a strategic alliance with Brandes Investment Partners & Co. for the provision of portfolio advisory services to mutual funds. By virtue of the agreement, the Company is entitled to a share of the profit/loss from the operation of the Brandes-Sionna funds in addition to investment management fees.

Sionna markets, promotes and offers its Clients the investment advisory services of Sub-Advisors. It does so by appointing Brandes Investment Partners as a sub-advisor to the Sionna Canadian Balanced Pooled Fund (and may do so to its other Canadian Clients) for the purpose of benefitting from their specialized expertise in fixed income and non-Canadian securities.

8. Fair Allocation Amongst Clients - Sionna has adopted trading policies which are designed to ensure fair allocation of securities amongst Client accounts. Sionna is engaged to act as an advisor by several Clients. Sionna may aggregate orders for a number of Client accounts for the purchase of a particular security. A conflict of interest can arise when selecting which Clients' accounts to participate in the allocation. A copy of the fair allocation policy of Sionna will be provided when a Client opens an account and whenever a significant change to the policy is made. A copy of the policy may also be obtained upon request.

9. Fees of Sionna - Sionna typically charges its Clients a fee for its advisory services calculated as a percentage of the market value of the Client's account. Where Sionna appoints a sub-advisor to assist with managing its Client accounts, Sionna is responsible for payment of the sub-advisory fees so that there is no duplication of fees charged to the underlying Client.

Sionna may use valuation agents and typical pricing feeds to obtain the values for particular securities and other investments held in the portfolio. In addition, Sionna has appointed a third party service provider to obtain the prices of securities in the Sionna Pooled Funds and for determining the net asset values of the Funds.

10. Allocating Expenses Amongst Funds and in a Fund - Sionna Investment Managers Inc. pays its own operating expenses and fees of third party services providers to the Sionna Pooled Funds. As noted above, Sionna does not currently charge the Sionna Pooled Funds for services it provides to the funds.

Sionna has established policies and procedures to ensure that expenses (trading fees) charged to the Sionna Pooled Funds are reasonable and appropriate and the method of allocating such expenses amongst the funds is fair and equitable to all funds.

11. Pricing and Account Errors - Sionna may have a potential conflict of interest when determining when, and how, to deal with a pricing error or other type of unitholder account error, due to the time, processing cost and reimbursement of investors involved. Sionna uses third party service providers to calculate net asset values of the Sionna Pooled Funds and to record unitholder transactions. Sionna's Error Policy establishes standards for the correction of discrepancies in the calculation of net asset value in a consistent manner across the Canadian Funds and in accordance with industry guidelines.

12. Proxy Voting and Other Corporate Actions - Sionna usually has discretion in voting the portfolio securities purchased on behalf of Clients, including the Sionna Pooled Funds. A perceived conflict arises given the opportunity to vote securities in its own interest or agree to certain corporate actions, including for the purpose of getting or maintaining certain issuers as Clients. To minimize such conflicts, Sionna subscribes for proxy voting recommendation services from a third party and maintain records of how they vote securities. Sionna does not invest in securities of issuers for the purposes of exercising control over, or participating in management of issuers. Sionna has established policies and procedures on how it handles material conflicts of interest that may arise between Sionna and a Sionna Pooled Fund.

13. Personal Trading, Gifts and Business Entertainment - Sionna has a Code of Ethics that sets forth standards of business conduct intended to prevent possible conflicts of interest, diversions of corporate opportunity or appearances of impropriety and has established policies and procedures for monitoring personal trades of employees, officers and directors who have access to information regarding the portfolios of Clients and the Sionna Pooled Funds. When individual portfolio managers and other personnel of Sionna invest in the same securities as Clients of Sionna, including the Sionna Pooled Funds, there is a perceived or potential conflict of interest that the portfolio manager or other personnel may benefit from opportunities at the expense of Sionna's Clients and the Sionna Pooled Funds.

Sionna has established written standards for the provision and acceptance of gifts and business entertainment to or from persons or entities with which the firm has an existing or potential business relationship and regularly monitors employees' adherence to such standards. When employees of Sionna give or accept gifts or business entertainment of more than minimal value in connection with services provided to Clients or the Sionna Pooled Funds, there is also a perceived or potential conflict of interest.

14. Outside Business Activities - Sionna has developed policies and procedures that govern employees' outside business activities and to which all employees must adhere. Further, Sionna has implemented a notification and pre-approval process to restrict any outside business activity that would interfere or give the appearance of interfering with an employee's ability to act in the best interests of, or perform work for, Sionna and its Clients.

December 7, 2009