

# Declaring and managing conflicts of interest



In accordance with recent enhanced securities regulations and our commitment to transparency and fairness with our clients, Investia Financial Services Inc. (Investia or we) is reviewing how we address all existing material conflicts of interests and reasonably foreseeable material conflicts of interest between us and our clients. Investia seeks to manage conflicts of interest in the best interests of our clients. A conflict of interest arises when the interests of different persons, specifically your interests and those of Investia or one of our employees, representatives, administrators, or managers are incompatible or divergent.

## **Accordingly, conflicts of interest may occasionally arise between you and:**

- Investia or you and your representative;
- a person or company with whom we have a relationship.

## **We have adopted policies and procedures to effectively address conflicts of interest in our clients' best interests.**

- We seek to avoid or minimize conflicts where reasonably possible.
- We avoid conflicts prohibited by law as well as material conflicts that we cannot effectively manage in your best interests.
- We control or manage acceptable conflicts by physically separating different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing any financial incentives for employees to favour a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes.

## **Investia is a member of the iA Financial Corporation Group**

We are a wholly owned subsidiary of iA Financial Corporation Inc. (**iA Financial**). Our relationship to iA Financial and its other financial services subsidiaries (the iA Financial group) creates

conflicts of interest when we provide products and services to you that are sourced from or provided by other members of the iA Financial Group. This means that we may encourage you to do more business with us and the other members of the iA Financial Group, and we may engage affiliates to provide us with products and services for your account, but will always do so in a way that we consider in your best interests. We will only enter into these transactions or arrangements where we are permitted under applicable securities laws and where we believe they are in your best interests. Any relationships that an Investia director or officer might have with another iA Financial Group entity do not raise material conflicts as none of the individuals is in a position to personally influence clients of Investia to invest in any of the investment products of the iA Financial Group, nor are they compensated by any of the iA Financial Group entities on a commission or other basis that could result in decisions being made, or influence being exerted, against the interests of any of our customers. The following iA Financial Group entities are related registrants and/or connected issuers to Investia: IA Clarington Investments Inc., a manager of mutual funds and a portfolio manager; – iA Private Wealth Inc., a securities dealer; – FIN-XO Securities Inc., a securities dealer; – Industrial Alliance Investment Management Inc., a portfolio manager; – Forstrong Global Asset Management Inc., a portfolio manager.

All advice, products and services provided to clients by representatives who act on behalf of Investia shall be made in the normal course of business, without iA Financial Group or one of the entities currently connected or affiliated with it being involved. Investia shall maintain its decision-making and operational autonomy with respect to the advice, products and services that it offers while considering the best interests of clients.

## Compensation to Investia – Mutual funds or other investments

When you purchase or hold a mutual fund or another investment product through Investia, Investia may receive a commission at the time of the sale and may also earn an ongoing commission (also known as a trailer fee) for as long as you hold the product. These sales charges and ongoing commissions are paid to Investia by the manager or administrator of the product. For investments that are distributed publicly under a prospectus, there is full disclosure of these payments in the Fund Facts document and prospectus documents for the investments.

### IA Clarington Series L securities

If you invest in Series L securities of the IA Clarington mutual funds, IA Clarington, as manager of the funds, pays us an up-front commission, which we will repay to IA Clarington if you redeem your holdings within three years of the purchase. This arrangement is disclosed in the Fund Facts document you will receive before you invest in the Series L units.

### Investia nominee account fee-waiving program

Investia has developed a fee-waiving program for its clients holding nominee accounts. As such, when you hold \$25,000 or more of funds of IA Clarington Investments Inc., we will waive the nominee account administrative fees which would normally be charged to you. IA Clarington Investments Inc. will not provide additional compensation to Investia nor its representatives in connection with this fee-waiving program.

### Compensation of representatives

We may compensate our representatives by a combination of one or more of the following:

- base salary;
- compensation or bonus based on the value and/or types of assets under administration;
- percentage of sales commissions and trailer fees received by Investia; and
- approved referral arrangements.

## Nominee accounts

Investia is promoting the use of nominee accounts and is providing reasonable monetary benefits to its representatives for their use. These incentives are not tied to investments in iA Clarington funds or any other products of other related entities.

## Fee-based accounts

Different products may have differing levels of compensation, and different account types (fee-based and transactional). To avoid duplicate fees being charged in fee-based accounts, products with embedded commissions will be excluded from your assets for the purpose of calculating fees.

## Outside activities

At times, our employees, representatives, administrators, managers, associates or staff may participate in outside activities. Before engaging in any outside activity, our policies require these individuals to disclose situations where a conflict of interest may arise and to determine how such conflicts may be addressed.

## Gifts and entertainment

Our representatives, executives and employees are not permitted to accept gifts or entertainment beyond what we consider consistent with reasonable business practices and applicable laws. We set maximum thresholds for permitted gifts and entertainment to avoid any perception that the gifts or entertainment will influence decision-making.

## Personal dealings with clients

To address these conflicts, Investia has policies and procedures in place which strictly prohibit personal financial dealings with clients who are not family members.

## Referral arrangements

Referral arrangements may exist between Investia and other iA Financial Group members and/or other regulated or non-regulated entities. A referral arrangement happens when a prospective client is referred to or from Investia by a party and that party or Investia may receive a referral fee. The purpose of referrals is to introduce our clients or potential clients to qualified persons who are best suited to help clients achieve their financial objectives. If a referral arrangement is in place, a written disclosure will be provided to you explaining the specific details of the referral arrangement.