

INFORMATION ABOUT THE SCOPE OF OUR RELATIONSHIP WITH YOU

A. Nature of the Advisory Relationship

Frontier Capital Funds Inc. (“we”, “us” or “our”) is a member of the Mutual Fund Dealers Association of Canada (“MFDA”) and is registered in the Provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Québec, Saskatchewan and Yukon to sell mutual funds.

As a mutual fund dealer, our registered representatives are available to help you with your investment decisions, but these decisions are your sole responsibility. Although we review each transaction you make and will advise you of trades that we believe are unsuitable given the personal and financial information you have given us, you are ultimately responsible for investment decisions you make. We will not make investment decisions on your behalf.

B. Products and Services Offered

We only sell the Canoe Mutual Funds (the “Funds” or a “Fund”) which are managed by our parent company Canoe Financial LP (“Canoe”). Services offered by our registered representatives include account opening and processing of subsequent transactions, as well as maintenance of client accounts. Please refer to the Funds simplified prospectus or the fund facts document for more information on the Funds offered.

It is important to keep in mind that we do not offer legal, accounting or tax advice to you, and you should consult professionals in those areas if you have questions about the impact of your investments on your legal, accounting or tax situation.

C. Procedures Regarding Handling of Cash and Cheques

In order to purchase units of one or more Funds, an account must be opened by completing an Account Application Form, a Tax-Free Savings Account Application Form or a Registered Account Application Form (collectively, the “Application Forms”) and by providing any necessary supporting documentation for the client identification and information requirements. No Fund transaction can be processed until these forms and documents have been received and deemed in good order.

We do not accept cash. You may send cheques drawn on a bank account with a recognized Canadian financial institution and made payable to Canoe Financial. All client cheques are held in a trust bank account until the Fund transactions are settled. No third party cheques shall be accepted.

D. Suitability of Orders and Recommendations

We have an obligation to ensure that any recommendation we make to you or trade that you initiate independently is suitable based on the “Know Your Client” (“KYC”) information initially collected in the Application Forms or as subsequently updated by you from time to time. Suitability is assessed based on your investment objectives, risk tolerance, time horizon and other personal circumstances. Regulations require us to maintain client records and to revisit your KYC profile at least annually.

There are other circumstances which will trigger a requirement to assess the suitability of your investments. These are:

- 1) when you transfer assets into an account;
- 2) when we become aware of a material change in your KYC information; and
- 3) when you transfer assets purchased using borrowed funds.

You are responsible to keep us informed of any changes to your personal circumstances which would be considered material and which could affect the suitability of your investments in the Funds.

E. “Know Your Client” Definitions

In assessing suitability, we will review your KYC Information, which includes items such as number of dependents, age, investment knowledge, annual income and net worth, as well as:

- Investment objectives, which reflect your desired results from investing and directly relate to the type of investments that you purchase;
- Time horizon, which reflects the period from now to when you need to access a significant portion of the money invested in the account; and
- Risk tolerance, which reflects both your willingness to accept risk and your ability to withstand financial loss. Risk tolerance should be determined as the lesser of both criteria.

Risk varies from one Fund to another. You may be willing to accept higher risk for a higher rate of return. For a description of the combination of risk tolerance and investment objective, please consult the KYC information section in our various Application Forms or the simplified prospectus available at <http://canoefinancial.com/>.

We will use the information that you provide to us to understand your financial needs and ensure that your investments are suitable for you.

In addition to the information requirements under the MFDA KYC rule, you will be required to provide us with information to comply with other legislation, regulations and international agreements. For example, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the “Act”) is a federal law designated to detect and deter money laundering and the financing of terrorist activities. As part of the anti-money laundering legislation requirements, you will have to provide, among other things, information about yourself such as employment details, your social insurance number and a proof of identity as required.

You will not be permitted to perform any transactions in your account until you have provided all information required under the Act.

F. Content and Frequency of Reporting

We provide clients with account statements on a quarterly basis. These statements show the account activity during the period covered by the statement, including date, type and total value of the transaction, as well as the name, the number of units and the price of each Fund transacted. The statements also show the market value for all Funds held in your account as at the beginning and the end of the period for which the statement was produced. In addition, as at quarter end, the statement indicates the name and quantity of each of your Funds and the cost of each Fund. Furthermore, the account statement will include the type of account, the account number, the period covered by the account statement, our name, address and telephone number.

Our statements show your personal account rate of return.

On a year-end basis, along with the 4th quarterly statement, two reports are enclosed with the statement:

- 1) Charges and Compensation Report which is an annual report showing each type of fee and charge as well as a summary of all charges incurred by the client, and other compensation received by Canoe that relates to the client’s account;
- 2) Performance Report which is an annual account-based performance report using money-weighted rate of return calculation method for investment performance.

A trade confirmation will also be mailed to you within 48 hours following trading activity in your account (excluding subsequent trades related to your participation in a pre-authorized chequing plan or an automatic withdrawal plan).

G. Compensation, transaction charges and other sources of information

We do not charge you any fees or commissions when you purchase Series D or Series A Units of Funds through us, which means that you pay no sales or transaction charges when you buy or redeem units of any of these Funds. However, you may be charged short term trading

fees in certain circumstances. These fees are not received by us or Canoe but instead are retained by the applicable Fund for the benefit of other Fund unitholders. The fees are intended to deter excessive trading in the Funds.

You pay a management fee to each Fund in which you are invested and for as long as you hold the Fund. The management fee is paid to Canoe, as manager of the Funds, as compensation for the management, investment and administration services it renders to the Funds. Out of the management fees it receives, Canoe pays a trailing fee to us to assist with the distribution, administration and other client related services.

For complete information on the fees applicable to an investment in the Funds, please refer to the simplified prospectus and the fund facts document of the Funds. These documents are available on Canoe's website at: <http://canoefinancial.com>.

If you have questions about any fees applicable, you can also contact us at 1-800-265-1888.

H. Performance Benchmarks

You may assess the performance of your investments by comparing them to an investment performance benchmark. A benchmark is an index for measuring the performance of an investment compared to the performance of a market segment. There are many different benchmarks. Although a single benchmark can be used, a blend of benchmarks may be appropriate for portfolios which include different asset classes and investments. Generally, broad market and market segment stock and bond indices are used for this purpose.

To assist our clients in evaluating how the Funds perform against the market, we provide benchmark returns in the quarterly statement clients receive.