

**Part 3 of Form ADV: Customer Relationship Summary**  
**Hillsdale Investment Management Inc.**  
**March 31, 2024**

**Introduction**

Hillsdale Investment Management Inc. ("Hillsdale") is registered with the Securities and Exchange Commission (the "SEC") as an **investment adviser**. Brokerage and investment advisory services and fees differ, and it is important that you, as a retail investor, understand the differences. This document gives you a summary of the types of services we provide and how you pay for them. Please ask us for more information on any of the topics presented in this document. To help you in your understanding, there are some suggested questions in the sections below that we would be happy to answer. Free and simple tools to research a firm and its financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

**Relationships and Services**

**What investment services and advice can you provide me?**

We provide customized *discretionary investment advisory services* to retail investors, including individuals and families, to meet their financial and retirement goals. Our services are offered primarily through direct investment in Hillsdale's **proprietary pooled funds** (the "**Funds**") and through the discretionary management of **separately managed accounts** (a "**SMA**"). Hillsdale Funds offer access to actively managed Canadian, U.S. and international strategies. We do not typically provide advice on non-proprietary products.

Our investment advisory services via SMA are offered exclusively to 'accredited investors' with a minimum investment of USD \$500,000. As a client, you are assigned to an investment adviser who creates and manages your investment portfolio in accordance with your risk-return mandate and financial goals. Your investment advisor will monitor your portfolio regularly for opportunities and communicate with you when they have notable information to provide. At a minimum, your investment advisor will review your portfolio and investment plan in detail with you once a year, when you advise us of a significant change in circumstances or based on the frequency that you require. Between meetings, we can provide you with on demand details regarding your portfolio, transactions, performance, and asset mix reports electronically or in print. Statements will be sent to you on a monthly or quarterly basis, depending on transaction frequency. You will also receive Hillsdale's Monthly Newsletter.

**For more detail and information**, please refer to *items 4 and 7 of Hillsdale's Form ADV Part 2A* (see Additional Information below with respect to obtaining this document).

**Conversation Starters:**

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

**Fees, Costs, Conflicts and Standard of Conduct**

**What fees will I pay?**

Hillsdale earns management and performance fees from the Funds on a monthly basis. Management fees reflect a pre-determined percentage of your assets under management ("**AUM**") in a Fund. Applicable to certain Funds, performance fees are a percentage of the increase in the value of the Fund, payable only when the value of the Fund outperforms a pre-determined benchmark and its own previous highest level. You will not be charged any additional fees by Hillsdale for investing in its Funds.

Non-Fund investments in your account are managed on a customized basis in accordance with your Investment Policy Statement and are subject to a quarterly management fee. The fee for the management of a SMA is negotiated and documented in your Investment Management Agreement. Both the Funds and SMA's must pay brokerage and transaction costs associated with their activities, as well as operating expenses and taxes.

**Hillsdale Investment Management Inc.**

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You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**For more detail and information**, please refer to *item 5 of Hillsdale's Form ADV Part 2A* (see Additional Information below with respect to obtaining this document).

**Conversation Starter:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide you. Here are some examples to help you understand what this means.

Hillsdale generally offers only its proprietary products. We do not consider the larger market of non-proprietary or third-party products or whether those non-proprietary products would be better, worse, or equal in meeting your investment needs and objectives. We earn management and performance fees on these products that we recommend to you. The management fee that you pay depends on the level of AUM in the account; thus, there is an incentive for us to encourage you to invest more. When an adviser manages accounts that are charged a performance fee as well as accounts that are not charged a performance fee, there is a potential conflict of interest in that the adviser may have an incentive to favour accounts that are charged a performance fee in the hopes of earning greater revenues.

Hillsdale has implemented policies and procedures which serve to reduce these potential conflicts of interest and treat all clients fairly.

**For more detail and information**, please refer to *items 6 and 12 of Hillsdale's Form ADV Part 2A* (see Additional Information below with respect to obtaining this document).

**Conversation Starter:** *How might your conflicts of interest affect me, and how will you address them?*

**How do your financial professionals make money?**

Our financial professionals are compensated through a base salary, sales commissions and service fees. Sales commissions are payable when you make an investment with Hillsdale and are a portion of the estimated management fees to be earned in the first year. After the first year, the financial professional earns a quarterly service fee, which is a portion of the management fees that you pay, for as long as you are invested with Hillsdale. The sales commission and service fee rates are the same regardless of the product in which you invest in order to eliminate any incentive to recommend one product over another. Sales commissions and service fees are paid by Hillsdale from the management fees it earns and are not additional fees paid by you.

## **Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

Yes. You can visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

**Conversation Starter:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

## **Additional Information**

For additional information about Hillsdale, please visit our website at [www.hillsdaleinv.com](http://www.hillsdaleinv.com). Information about Hillsdale can also be obtained by viewing our latest Form ADV filings with the SEC at

<https://adviserinfo.sec.gov/firm/summary/137883>. **Do not hesitate to contact us at 416-913-3900 or by email at [info@hillsdaleinv.com](mailto:info@hillsdaleinv.com) in order to request a copy of this Customer Relationship Summary or Hillsdale's latest Form ADV filings. These will be provided at no charge to you.**

**Conversation Starter:**

- *Who is my primary contact person?*
- *Is he or she a representative of an investment adviser or a broker-dealer?*
- *Who can I talk to if I have concerns about how this person is treating me?*

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