



CIBC PRIVATE WEALTH

## **Item 1 – Cover Page**

**CIBC Private Wealth Advisors, Inc.**

**181 West Madison Street, 36th Floor**

**Chicago, IL 60602**

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**<https://private-wealth.us.cibc.com/>**

**March 26, 2024**

**ADV Part 2A**

This brochure provides information about the qualifications and business practices of CIBC Private Wealth Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (312) 368-7700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

CIBC Private Wealth Advisors, Inc. is a registered investment adviser. Registration of an investment adviser does not imply a certain level of skill or training. When hiring or retaining an adviser you should carefully assess the qualifications, including the skill and training, of that adviser based on the oral and written communications of that adviser.

Additional information about CIBC Private Wealth Advisors, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2: Material Changes

This brochure is an amendment to the prior brochure dated March 26, 2023. As of March 2024, CIBC Private Wealth Advisors, Inc.'s (referred to as "we," "us," "our," and the "Adviser") disclosure statement (ADV Part 2) has been updated with various non-material changes to provide clarification and additional information. The following is a summary of material changes to our business since our last annual update on March 30, 2023.

- Kishore Setty has been appointed to the role of President of the Adviser. Mr. Setty will also continue to serve as the Head of the East Region of the Adviser.
- Effective April 1, 2024, the Adviser migrated its client accounts to a new portfolio management system offered by SEI, the SEI Wealth Platform. As a result of this account migration, any account electing the Adviser to vote proxies on their behalf will be voted according to the Institutional Shareholder Services, Inc. US Proxy Voting Guidelines. Detailed information regarding the Adviser's proxy voting policies and practices may be found in Item 17 – Voting Client Securities.

We encourage you to review this brochure in its entirety.

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## Item 4: Advisory Business

### Item 4A – Advisory Firm Description

The Adviser is an indirect subsidiary of Canadian Imperial Bank of Commerce (“CIBC”), a Canadian-based financial institution and publicly traded entity. CIBC National Trust Company, a federally chartered limited purpose trust company, CIBC Delaware Trust Company, a Delaware limited-purpose trust company, and the Adviser are wholly owned subsidiaries of CIBC Private Wealth Group, LLC, collectively referred to as CIBC Private Wealth.

### Item 4B – Types of Advisory Services Offered

We provide investment advisory and wealth advisory services. Investment advisory services include asset allocation planning, proprietary investment offerings, portfolio management services, external manager selection and customized reporting. Wealth advisory services include assisting clients with financial, estate and philanthropic planning. We also engage in related business activities, including the licensing of rights to use benchmark indices we develop and maintain. We license our intellectual property rights in such indices to affiliated entities and third parties who create, and issue investment products based on these underlying indices. In such cases, the affiliated entity or third party pay us a licensing fee which represents a portion of the management fee the affiliated entity or third party receives in connection with the associated investment products.

As an extension of our wealth advisory services, for an additional fee, we coordinate the provision of specialized administrative services to businesses, estates, and qualified client families. This includes assistance with complex needs such as estate planning, tax planning, charitable giving, wealth distribution, family budgeting, and property management. Through our affiliates CIBC National Trust Company and CIBC Delaware Trust Company, we implement family office services, including consolidated reporting, expense management and family governance structures, utilizing experienced wealth management employees and through partnerships with our clients’ other financial service providers such as certified public accountants, law firms and trust companies. Sometimes these third-party firms have an existing relationship with the client or are appointed by the client upon our recommendation. In such circumstances, the Adviser receives no financial compensation from the firms it recommends.

### Item 4C – Tailoring of Advisory Services

Our Relationship Managers work with our clients to customize investment strategies. Clients can choose the level of contact with their Relationship Manager, but the Relationship Manager will generally communicate with their clients at least annually. Further, on an annual basis, the Relationship Manager will review the investment objective for each account over which the Adviser exercises investment discretion. At the client’s direction, the investment strategy will be an overall asset allocation model or serve as a portion of a broader asset allocation model. The strategy is designed using a custom portfolio, a portfolio of internally and/or externally managed strategies, or a combination of both.

Clients can impose reasonable restrictions on their investments; for example, clients can exclude or restrict specific securities and/or certain industries or types of securities. Restrictions imposed are input in our internal systems in the form of trading rules that are specific to a client’s account to ensure that client requirements are adhered to when trades are placed for an account.

### Item 4D – Managed Account Programs

We provide discretionary and nondiscretionary investment advice to separately managed accounts. We also advise “wrap fee” programs and platforms sponsored by investment advisers, broker-dealers, and other financial service firms (Program Sponsors) either directly to the Program Sponsor (Single Contract SMA) or the participants (Dual Contract SMA) depending on the program (collectively referred to as SMA Programs). We also provide advice to Program Sponsors and/or overlay managers through model investment portfolios (collectively referred to as the Model Program). Our SMA Program and Model Program are collectively referred to as the (Managed Account Programs).

In the Non-Discretionary Model Program, we do not consider ourselves to have an advisory relationship with clients of the Program Sponsor or overlay manager. If this Form ADV Part 2A is delivered to Program Sponsor’s

model-based clients with whom we do not have an advisory relationship, or where it is not legally required to be delivered, it is provided for informational purposes only.

Program Sponsors are responsible for reviewing their clients' financial circumstances and investment objectives and determining the suitability of our strategies and the Managed Account Program for their clients (participants). Generally, Program Sponsors are primarily responsible for client contact. Subject to applicable law and fiduciary obligations, we will make reasonably available to Program Sponsors and their clients certain staff who are knowledgeable about the services being provided by us for discussions at the strategy level.

Depending on the strategy, we invest in a variety of securities and other investments and employ different investment techniques. In a Single Contract SMA program, we enter into an investment sub-advisory agreement with a Program Sponsor under which we have investment discretion to manage client assets in the approved strategy.

In the Dual Contract SMA program, we enter into an investment advisory agreement directly with clients. Depending on the wrap fee program, services typically include manager selection, custodial services, periodic monitoring of investment managers, performance reporting and trade execution (often without a transaction specific commission or charge), provided by the Program Sponsor, and investment advisory services, provided by an investment manager, for a bundled fee paid to the Program Sponsor. Depending upon the level of the wrap fee charged by a Program Sponsor, the amount of portfolio activity in a participant's account, the value of the custodial and other services that are provided under a wrap fee program and other factors, a participant should consider that the cost for a wrap fee program account may be more or less than if a participant were to purchase the investment advisory services and the investment products separately.

In most wrap fee programs, the Program Sponsor is responsible for ascertaining the financial circumstances, investment objectives, and investment restrictions applicable to each participant through information provided to the Program Sponsor by the participant. We rely on such information provided by Program Sponsor. Clients may select us from among the investment advisers that the Program Sponsors present. Clients are encouraged to consult their own financial advisors and legal and tax professionals on an initial and continuous basis in connection with selecting and engaging the services of an investment manager for a particular strategy and participating in a Managed Account Program. While providing services to Managed Account Program accounts advised by a financial advisor, we generally rely on information or directions communicated by the financial advisor acting with apparent authority on the client's behalf. We reserve the right, in our sole discretion, to reject for any reason any SMA Program participant referred to it.

In the Model Program, we provide model portfolio advice through an agreement with Program Sponsors and/or an overlay manager. We monitor and update the model portfolios on an ongoing basis and will deliver such updates to the Program Sponsor or overlay manager. We have sole discretion for determining the appropriateness, diversification or suitability of securities selected for the model portfolios. Program Sponsors or an overlay manager will provide clients the services described in the Program Sponsor's or overlay manager's agreement with such participants, including selection of the investment strategies based on information provided by the participant. We do not provide customized investment advice or recommendations to Model Program participants. No model portfolio is personalized or in any way tailored by us to reflect the personal financial circumstances or investment objectives of any participant.

In the Non-Discretionary Model Program, the Program Sponsor retains investment and brokerage discretion and is responsible for investment decisions and performing many other services and functions typically handled by us in a traditional discretionary separate account relationship. In the Discretionary Model Program, we forward investment advice to the overlay manager designated by the Program Sponsor who typically acts on the model advice provided in client accounts considering any client-imposed restrictions accepted by the overlay manager. We do not have brokerage discretion in the Discretionary Model Program and thus have no authority to place orders for the execution of transactions.

We are not deemed to be a "sponsor" or a "manager" as those terms are defined in Investment Company Act Rule 3a-4 with respect to the services it provides to Managed Account Programs.

We are paid a portion of the fee clients pay to their Program Sponsor on the clients' behalf. We pay certain sponsors and other third-party platforms to participate in their programs or be listed on their platform. The total fees clients

pay under a wrap fee arrangement are determined by the sponsor of the program and are not set by us. For more information on the wrap fee programs in which we participate, see Item 5C below.

## Item 4E – Assets Under Management

Most of our clients receive discretionary investment management in which we make investment decisions on their behalf. Other clients receive our services on a non-discretionary basis in which the clients make their own investment decisions. We also provide consulting and/or administrative reporting services on a fixed rate basis. As of December 31, 2023, we had \$55,360,779,620 under management on a discretionary basis, and \$1,947,769,335 on a non- discretionary basis.

## Item 5: Fees and Compensation

### Item 5A – Advisory Fees

We use the following standard fee schedules.

#### Separate Accounts

New Accounts with Equity and Balanced Portfolios:

- On the first \$5 million ..... 1.00% annually
- On the next \$5 million ..... 0.80% annually
- On all additional amounts ..... 0.60% annually
- Minimum annual fee ..... \$10,000

New Accounts with Fixed Income Portfolios:

- On the first \$10 million ..... 0.50% annually
- On the next \$20 million ..... 0.35% annually
- On all additional amounts ..... 0.25% annually
- Minimum annual fee ..... \$10,000

New Accounts with Cash Portfolios:

- On the first \$50 million ..... 0.20% annually
- On the next \$50 million ..... 0.15% annually
- On all additional amounts ..... 0.10% annually
- Minimum annual fee ..... \$10,000

Wealth Management Accounts:

- On the first \$5 million ..... 1.20% annually
- On the next \$5 million ..... 0.80% annually
- On all additional amounts ..... 0.60% annually
- Minimum annual fee ..... \$10,000

Legacy Geneva Accounts Standard Fee:

- Equity holdings ..... 1.50% annually
- Fixed Income holdings ..... 0.50% annually

#### Managed Account Programs

The fees received by us for investment advice to Managed Account Programs vary depending on a variety of factors including the investment strategy selected and services provided by us, but generally fall within a range of 0.40% to 0.65% per annum based on assets under management.

On occasion we will negotiate the fees charged on an account. For example, we could negotiate a different fee schedule or minimum if we expect an account to grow substantially in size or already have a longstanding relationship with a client. In situations where we expect that an account will grow substantially, we might base our fees on the size to which we expect the account to grow. In situations where we have a longstanding relationship with a client, we often consider assets that we are already managing for that client when determining fees for the new account. There is a separate fee charged where family office services are engaged based on a defined list of services. Additionally, our fee schedules have evolved overtime, and therefore some of our accounts have different fee arrangements, reflecting what the standard fees were at the time the accounts were opened. Accounts opened by our employees and their family members are charged fees at a discount to our standard fee schedule.

We exclude investments in shares of any affiliated mutual funds, affiliated exchange-traded funds and notes or affiliated private funds from the assets under management figure used to calculate client fees. Additionally, we exclude any investments in Invesco Funds held as of December 31, 2013, from the assets under management figure used to calculate fees. Investments made in any Invesco Funds after December 31, 2013, will be included in the calculation of assets under management.

Should a client instruct us to assign certain holdings within their account to a non-managed portfolio of which the client limits our discretionary authority (such holdings/securities are commonly referred to as "Client-directed Assets"), we will not provide investment advice or monitoring for such Client-directed Assets. However, we shall, if selected by the client in their investment management agreement to do so, vote proxies solicited, process class action proof of claim forms, and advise on any corporate action decisions for such Client-directed Assets. We will not include the Client-directed Assets when calculating the investment advisory fee, and the Client-directed Assets will remain in the client's account until such time as the client directs us to sell such asset(s).

### **Item 5B – Billing of Fees**

Client fees are generally billed quarterly in advance, except in the case of family office services fees, which are billed in arrears. Fees are based on the fair market value of clients' billable assets under management at the end of the last day of the preceding quarter. Fees will not be adjusted for deposits into, or withdrawals made from client accounts, nor for appreciation or depreciation of the account assets within the quarter. As noted above, this standard arrangement is occasionally altered or negotiated in special circumstances.

Clients may terminate their accounts with us with 30 days prior written notice. In such situations, any pre-paid fees will be refunded based on daily pro-ratio of the billed fees.

As noted in Item 5A above, we do not bill on investments in shares of any affiliated mutual funds, affiliated exchange-traded funds, exchange-traded notes or affiliated private funds, or Invesco Funds holding was in existence on December 31, 2013. We do not charge an account level advisory fee on the value of assets under management of any investment in structured notes or comparable products underwritten by our affiliate CIBC or for similar unaffiliated products as we do not exercise investment discretion. We will, however, charge an ongoing management administrative fee based on the amount of assets under management of the structured note or affiliated funds.

Because our fees are generally billed in advance, we perform a special fee adjustment calculation each quarter, so accounts are not over charged. If clients purchase affiliated products (or structured notes or comparable products for which we charge a management administrative fee) during the quarter, it will result in a fee overlap because a portion of the account's market value would be in an investment that should not be billed. However, the sale of such product during the quarter would result in a gap in the fees billed because a portion of the account's market value that was previously not billed on would now be billable. The fee adjustment calculation we perform makes these adjustments. If there is an overlap, clients will be credited fees during the next billing period to correct it. We have not yet started charging fees on Structured Notes. However, when we do, we will not perform fee adjustments because fee adjustments are investments in affiliated products.

### **Item 5C – Other Fees Incurred**

In addition to the fees in Item 5A above, the account could also be subject to other fees which are outlined below.

#### **Affiliated Funds**

If we decide to invest a portion of the account in shares of the affiliated mutual funds listed below for which we serve as sub-adviser, we will exclude these investments from the account value for the purpose of calculating fees. The following are our Affiliated Funds:

- CIBC Atlas Disciplined Equity Fund
- CIBC Atlas Income Opportunities Fund
- CIBC Atlas MidCap Equity Fund
- CIBC Atlas All Cap Growth Fund
- CIBC Atlas Equity Income Fund
- CIBC Atlas International Growth Fund

In addition, if we choose to invest a portion of a client's assets in one of the following, for which we serve as index selection agent we will exclude these investments from a client's account value for the purposes of calculating fees.

- ALPS Clean Energy ETF
- iPath® Select MLP ETN

### **Other CIBC Products**

With client consent, if we decide to invest a portion of their account in a product or instruments, such as a structured note obligation, for which an affiliate of ours serves as the underwriter or counterparty, we will exclude these investments from the account value for the purpose of calculating our investment advisory fees. We will, however, charge a management administrative fee, as more fully described in such products offering materials, based on the market value of the product for the length of time such product remains in the account. In addition, as underwriter for the product, the CIBC affiliated entity would be acting in a principal capacity with respect to the offering of the product, and CIBC expects to profit from the offering of the product. Additional information regarding fees that clients pay when they invest in products offered by our affiliates is provided in Item 10 – Other Financial Industry Activities and Affiliations.

### **Unaffiliated Mutual Funds & Investment Companies**

As part of our investment advisory service, we may purchase shares of unaffiliated mutual funds. These shares are included in the market value of a client's account for determining the quarterly fees. These types of investments are also subject to investment advisory service fees by the companies that operate the mutual funds.

### **Private Placements**

#### *Affiliated Private Investment Funds*

One of our affiliates, CIBC National Trust Company ("CIBC NTC"), serves as manager, managing member, investment adviser, sub-placement agent, placement agent and/or servicing agent to several affiliated and non-affiliated private placement funds. The funds for which our affiliate, CIBC National Trust Company, has such duties are the following:

- Atlas Point Capital Growth Fund I, LLC
- Atlas Point Capital Growth Fund II, LLC
- Atlas Point Diversified Strategies Fund, LLC
- Atlas Point Energy Infrastructure Fund, LLC
- Atlas Point Global Long/Short Fund, LLC
- Asia Hedged Opportunity Fund, LLC
- Atlas Point Global Multi-Strategy Fund, LLC
- Atlas Point Global Multi-Strategy Offshore Fund, Ltd.
- Atlas Point Private Credit Opportunities Fund, LLC
- Atlas Point Durable Growth Fund, L.P.
- Atlas Point Private LLC

Our affiliate, CIBC National Trust Company, receives compensation for its services to each of the funds listed above. Those fees are outlined in the private placement memorandum for each fund. We receive a portion of the fees charged by our affiliate for investments we make in these funds. However, if we invest money from a client account in these funds, it is considered an affiliated product and is excluded when determining the market value of their account for billing. See Items 5A and 5B for more information about how we handle affiliated investments in terms of billing. Atlas Point Oak Hill Fund, LLC, and Atlas Point Private Credit Opportunities Fund, LLC are not open to new investments.

Our affiliate, CIBC Asset Management Inc. ("CAMI"), serves as investment adviser to several Canadian funds and engaged us to act a sub-adviser. The funds for which our affiliate CAMI has such duties are:

- CIBC U.S. Equity Fund
- CIBC International Equity Fund
- Renaissance U.S. Equity Fund
- Renaissance U.S. Equity Growth Fund
- Renaissance US. Equity Private Pool – Disciplined Equity
- Imperial Overseas Equity Pool – International Equities
- Imperial International Equity Pool
- Imperial U.S. Equity Pool – Disciplined Equity
- Renaissance International Equity Private Pool – International Equities

Our affiliate, CAMI, receives compensation for its services to each of the funds listed above. Those fees are outlined in the prospectus for each fund. We receive a portion of the fees charged by our affiliate for investments we make in these funds. While it is unlikely that we would invest money from client accounts in these Canadian funds, it is considered an affiliated product and would be excluded when determining the market value of their account for billing. See Items 5A and 5B for more information about how we handle affiliated investments in terms of billing if their account were invested in such Canadian funds.

#### *Non-Affiliated Private Investment Funds*

##### Eaton Vance Distributors, Inc.

Our affiliate, CIBC National Trust Company, serves as sub-placement or placement agent to the following funds:

- Belhurst Capital Fund LLC
- Belport Capital Fund LLC
- Belterra Capital Fund LLC
- Belwater Capital Fund LLC
- Clearfork Capital Fund LLC
- Clearisle Capital Fund LLC

As a result, our affiliate receives a one-time fee from Eaton Vance Distributors, Inc., the placement agent for the above funds when an investment is made in the funds by an account not custodied at Charles Schwab & Co, Inc. Additionally, for accounts not custodied at Charles Schwab & Co., Inc., our affiliate receives an ongoing servicing fee based on a client's average daily net balance in the funds which begins 12 months after client shares are issued. These fees received by CIBC National Trust Company are described in more detail in the private placement memorandum for each fund.

Due to the fact that our affiliate receives fees from Eaton Vance Distributors, Inc., an investment made in the funds listed above is excluded from client accounts when we calculate fees, except for accounts custodied at Charles Schwab & Co., Inc. Investments made from accounts custodied at Charles Schwab & Co., Inc. will remain subject to any applicable CIBC account-level fees. Client accounts will be subject to the fees associated with investments in these private placements that are described in the private placement memorandums.

##### Persistent Edge Asia Partners, Ltd.

Our affiliate, CIBC National Trust Company, serves as referral agent for potential investors for Persistent Edge Asia Partners, Ltd. a private investment pool operated by Persistent Asset Management Pte Ltd. As a result, our affiliate receives a quarterly fee at a rate of 0.75% per annum (0.1875% quarterly) of the account balance of



investors that we introduce to Persistent Edge Asia Partners, Ltd. These fees are received by CIBC National Trust Company are described in more detail in the private placement memorandum for each fund.

Because our affiliate receives fees from Persistent Asset Management Pte, Ltd., any investment made in the fund above is excluded from client accounts when we calculate fees. Accounts will be subject to the fees associated with investments in this private placement that are described in the private placement memorandums.

#### Prisma Spectrum Fund, L.P. 0

Our affiliate, CIBC National Trust Company, serves as referral agent for potential investors for Prisma Spectrum Fund, LP a private investment pool operated by Prisma Capital Partners, LLC. As a result, our affiliate receives a fee equal to 33 1/3% of any management fee payable to the Investment Manager of the investment pool, so long as the aggregate contributions to the funds by referred investors is less than \$50 million. If the aggregate contributions to the funds by referred investors are greater than \$50 million, then our affiliate receives a fee equal to 50% of any management fee payable to the Investment Manager of the investment pool. These fees received by CIBC National Trust Company are described in more detail in the private placement memorandum for each fund.

Because our affiliate receives fees from Prisma Capital Partners LLC., any investment made in the fund above is excluded from client accounts when we calculate fees. Client accounts will be subject to the fees associated with investments in this private placement that are described in the private placement memorandums.

#### Corbin Pinehurst Partners

Our affiliate, CIBC National Trust Company, serves as referral agent for potential investors in Corbin Pinehurst Partners. As a result, our affiliate receives a fee equal to 50% of any management fee payable to the Investment Manager of the investment pool. These fees received by CIBC National Trust Company are described in more detail in the private placement memorandum for each fund.

Because our affiliate receives fees from Corbin Pinehurst Partners, any investment made in the fund above is excluded from client accounts when we calculate fees. Client accounts will be subject to the fees associated with investments in this private placement that are described in the private placement memorandums.

#### StepStone Atlas Opportunity Fund, LP

Our affiliate, CIBC National Trust Company, entered into an agreement with StepStone Group, LP with respect the creation of customized portfolios. The StepStone Atlas Opportunity Fund, LP invests primarily in distressed and private credit instruments and was created for clients of CIBC Private Wealth. CIBC National Trust Company will have no role in the management of the fund but can provide input on investment strategy and objectives for the fund. CIBC National Trust Company will also have the right to veto a Primary Investment upon proper notice to the General Partner of the fund. If clients invest in StepStone Atlas Opportunity Fund, neither we nor, our affiliate CIBC National Trust Company will receive fees from StepStone. We will charge their account our customary management fee on those assets. The fund is closed to new investment, has called all committed capital, and has begun distributing returns from underlying partnerships.

#### StepStone Atlas Opportunity Fund II, LP

Under the agreement our affiliate, CIBC National Trust Company, entered into an agreement with StepStone Group LP with respect to the creation of customized portfolios, StepStone Atlas Opportunity Fund II, LP. This fund invests primarily in distressed and private credit instruments and was created for clients of CIBC Private Wealth. CIBC National Trust Company will have no role in the management of the fund but can provide input on investment strategy and objectives for the fund. CIBC National Trust Company will also have the right to veto a Primary Investment upon proper notice to the General Partner of the fund. If clients invest in StepStone Atlas Opportunity Fund II, neither we nor, our affiliate CIBC National Trust Company will receive fees from StepStone. We will charge their account our customary management fee on those assets. The fund is closed to new investment.

#### StepStone Atlas Opportunity Fund III (Offshore), LP

Under the agreement our affiliate, CIBC National Trust Company, entered into an agreement with StepStone Group LP with respect to the creation of customized portfolios for clients of CIBC Private Wealth, StepStone Atlas

Opportunity Fund III (Offshore), LP. The fund allocates approximately 60% of its commitments to primary fund interests and 20% to secondaries and co-investment opportunities. However, the actual allocation may differ from these estimates. The focus of the fund is small and middle market buyout, growth equity and strategic opportunities. CIBC National Trust Company has no role in the management of the fund but can provide input on investment strategy and objectives for the fund. CIBC National Trust Company will also have the right to veto a Primary Investment upon proper notice to the General Partner of the fund. If clients invest in StepStone Atlas Opportunity Fund III, neither we nor, our affiliate CIBC National Trust Company will receive fees from StepStone. We will charge their account our customary management fee on those assets. The fund is closed to new investment.

### **Custodial Account Charges**

We do not accept physical custody of client assets. Accordingly, we require that clients place their assets with a qualified custodian. The custodian clients choose to hold their accounts will charge fees which are negotiated between the clients and their custodian and are the clients' responsibility to pay.

Under a prior program, no longer offered to clients, we pay the basic annual custodial account charges for certain accounts. These accounts use the custodial services of U.S. Trust, Bank of America Private Wealth Management (formerly LaSalle National Trust, N.A.) or State Street Bank (formerly Investors Bank & Trust Company). Under this program, we do not offer custodial services directly or indirectly to the accounts enrolled and Bank of America and State Street Bank do not offer their services through us. Clients would retain their custodian directly and clients are responsible for any fees or charges more than those that we pay.

For certain clients, a portion of the custodial costs that such clients pay to their custodian might be subtracted from their fees. This is available only for those clients who have retained preferred custodians, subject to account size limitations, and whose assets are invested for the full quarter. For certain other clients, we will charge a fee and the client will be responsible to pay all transaction and related costs to the custodian. See Item 12, Brokerage Practices for a discussion of brokerage and trade execution practices.

### **Managed Account Programs**

Participants considering a Managed Account Program or "wrap fee" program to which we provide investment advice, should carefully review the Program Sponsor's disclosures regarding the services, minimum account size, wrap fees it charges to participants, other fees or expenses participants might incur, and the business arrangement between the Program Sponsor and us found in the Program Sponsor's Form ADV Part 2A, wrap fee brochure, or participant investment management agreement.

In a wrap fee program, the wrap fee charged by the Program Sponsor typically covers commissions and certain transaction costs on trades executed through the Program Sponsor (or its affiliates), but not transactions effected through other broker-dealers. For trading of fixed income SMA Program accounts, we will place all or substantially all fixed income trades with broker-dealers other than the Program Sponsors or their broker-dealer affiliates (sometimes referred to as "trading away"), because of restrictions imposed by the Program Sponsor designed to comply with applicable law or other reasons. In such cases, participants should expect to incur transaction costs that are in addition to the Sponsor's program fee or wrap fee. These costs, which are in the form of markups, markdowns, or dealer spreads that are embedded in the net purchase or sale price of the security, are difficult to quantify because they are not required to be separately disclosed by the executing broker-dealer. We receive a portion of the program fee from the Program Sponsor for investment advisory services provided to wrap fee accounts. Each Program Sponsor determines its own payment methods. Typically, Program Sponsors collect the total wrap fee and remit to us our corresponding fee. In Dual Contract SMA programs, our fee is typically paid directly by the participant but may be collected by the Program Sponsor in which case, the Program Sponsor will remit our corresponding fee separately. To the extent our agreement with the Program Sponsor provides that our fees are to be paid in advance, we will refund any prepaid, but unearned fees to the Program Sponsor upon termination of the service. The Program Sponsor is then responsible for refunding fees, as applicable, to the participant upon termination of the service. The refunded amount will be determined on a pro rata basis if the service is terminated within the payment period. Minimum balance, initial deposit, termination, and withdrawal provisions vary by Program Sponsor.

### **Other Coordinated Service Arrangements**

### Schwab Advisor Network

We participate in the Schwab Advisor Network. The Schwab Advisor Network is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of clients' portfolios or our other advice or services. If clients are referred to us by Schwab, they will sign one of our standard investment advisory agreements and will receive the same services as any other client. We will then give Schwab a participation fee, which is a portion of the fees we collect from clients, as listed below:

- On the first \$2,000,000 – 0.25% annually
- On the next \$3,000,000 – 0.20% annually
- On the next \$5,000,000 – 0.15% annually
- On amounts over \$10,000,000 – 0.10% annually
- Or such other amount as is negotiated from time to time

For accounts referred to us prior to January 1, 2007, we give 18% of the fees we collect to Schwab. If clients establish a relationship with us through the Schwab Advisor Network but later decide to have their account assets held with another custodian, we can only continue as manager of their account if we pay Schwab a one-time fee based on the value of their account.

Schwab acts as the custodian for accounts that they refer to us. Schwab will not charge the client separately for custody but will receive compensation from our clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. If clients are referred to us through the Schwab Advisor Network, they will instruct us to use Schwab as their broker in writing. As a result, we will direct transactions for client accounts to Schwab subject to our duty of best execution. We expect that most client equity trades will be placed with Schwab. However, in seeking best execution of fixed income trades, we anticipate that we will place all trades at brokers other than Schwab.

Under this arrangement, our fees can be paid by clients or deducted from their account by Schwab if clients allow Schwab to do so. Our billing practices are the same for accounts referred to us by Schwab as they are for any other account we manage and are explained in Items 5A and 5B above. Generally, our minimum annual fee is \$10,000.

Either a client or we can terminate accounts in the Advisor Network with thirty (30) days prior written notice. If our agreement is terminated, any fees will be pro-rated daily and refunded as needed. If our agreement with a client is terminated, Schwab is no longer entitled to a participation fee from us. The fees we pay to Schwab will be pro-rated daily for the quarter in which termination occurs.

If clients are referred to us through the Schwab Advisor Network, it is important to understand that the investment advice we provide is not monitored by Schwab in any way.

Occasionally Schwab will refer clients to our affiliate, CIBC National Trust Company, which acts as trustee and relationship manager. If an account is referred to CIBC National Trust Company by Schwab, CIBC National Trust Company will pay Schwab the same participation fee described above.

CIBC National Trust Company has offices in the following locations:

- 3290 Northside Parkway, 7<sup>th</sup> Floor, Atlanta, GA 30327
- 111 Congress Ave, Suite 1830 Austin TX 78701
- 100 Federal Street, 37<sup>th</sup> Floor, Boston, MA 02110
- 181 West Madison Street, 36<sup>th</sup> Floor, Chicago, IL 60602
- 2121 North Pearl Street, Suite 1230, Dallas, TX 75201
- 100 Saint Paul Street, Suite 700, Denver, CO 80206
- 11 Greenway Plaza, Suite 2625, Houston, TX 77046
- 520 Newport Center Drive, Suite 700, Newport Beach, CA 92660
- 300 Madison Avenue, 7<sup>th</sup> Floor, New York, NY 10017
- 301 Sea Island Road, Suite 16, St. Simons Island, GA 31522
- 101 Second Street, 25<sup>th</sup> Floor, San Francisco, CA 94105
- 1401 S Brentwood Blvd, Suite 200, St. Louis, MO 63144

- 1201 F Street NW, Suite 900, Washington, DC 20004
- 525 Okeechobee Blvd, Suite 1630, West Palm Beach, FL 33401

### Fidelity Wealth Advisor Solutions

We participate in the Fidelity Wealth Advisor Solutions Program (the “WAS Program”), through which we receive referrals from Fidelity Personal and Workspace Advisors LLC (“FPWA”), a registered investment adviser and Fidelity Investments Company. We are independent and not affiliated with FPWA or any Fidelity Investments Company. FPWA does not supervise or control us, and FPWA has no responsibility or oversight for our provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a promoter for us, and we pay referral fees to FPWA for each referral received based on our assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to us does not constitute a recommendation or endorsement by FPWA of our particular investment management services or strategies.

More specifically, we pay the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% for client assets held in securities identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% for all other assets held in client accounts referred to us by FPWA or such other amount as are negotiated from time to time. In addition, we have agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by us and not the client.

To receive referrals from the WAS Program, we must meet certain minimum participation criteria, but we may have been selected for participation in the WAS Program because of our other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of our participation in the WAS Program, we have a conflict of interest with respect to our decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and we have a potential incentive to suggest the use of FBS and its affiliates to our advisory clients, whether or not those clients were referred to us as part of the WAS Program. Under an agreement with FPWA, we have agreed that we will not charge clients more than the standard range of advisory fees disclosed in Item 5A to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, we have agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when our fiduciary duties would so require, and we have agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA’s affiliates to another custodian; therefore, we have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit our duty to select brokers based on best execution.

### Hatton Consulting, Inc

We act as a sub-adviser to some clients of Hatton Consulting, Inc. In these situations, Hatton Consulting, Inc. has a written agreement with the client that gives us the ability to direct the investment and re-investment of the client’s account assets and allows us to buy and sell securities for their account. If a client is a client of Hatton Consulting, Inc. and agrees to let us manage their account, they will not have an agreement directly with us. Instead, they will have an agreement with Hatton Consulting, Inc. The services they receive from us are different than our typical services because Hatton Consulting, Inc. will work with them to determine investment objectives and will apprise us of these objectives and is responsible for notifying us of any change.

If a client opens an account under this arrangement with Hatton Consulting, Inc., they will pay fees to us according to the following schedule:

- The first \$5,000,000 – 0.65% annually
- Amounts over \$5,000,000 – 0.50% annually
- Minimum annual fee - \$10,000

These fees are paid directly to us from their account by Hatton and are paid quarterly in arrears.

### Advisors Inner Circle

We are an investment adviser to the CIBC Atlas Disciplined Equity Fund, CIBC Atlas Income Opportunities Fund, CIBC Atlas All Cap Growth Fund, CIBC Atlas Equity Income Fund, CIBC Atlas Mid Cap Equity Fund, and the CIBC Atlas International Growth Fund, each is a fund in the Advisors Inner Circle Fund Trust. We receive an asset-based investment advisory fee for services provided to these funds. As mentioned in Item 5 above, we do not charge an account level fee on our clients' investment in these funds.

### **Item 5 D – Payment of Fees**

As noted in Item 5B, fees are typically billed quarterly in advance. If clients choose to terminate their account, they can do so by providing advance written notice to us. The number of days in advance that they are required to provide notice to us can be found in their account agreement. Any unearned fees will be refunded to them on a pro-rated basis. For example, if they terminate their account with us 25% of the way into a quarter, clients will be refunded 75% of the fee they were previously billed. Fees can be automatically paid by their account's custodian if they authorize the custodian to do so. If they do not allow their custodian to pay fees automatically, they and possibly their custodian will receive an invoice from us.

### **Item 5E – Compensation for the Sale of Certain Securities**

We receive compensation for the sale of certain securities and investments such as mutual funds and private investment funds. For certain investments in structured notes or comparable products underwritten by CIBC or other unaffiliated parties, we receive a management administrative fee. The specific products for which we receive this type of compensation are disclosed in Item 5B – Billing of Fees, Item 5C: Affiliated Funds and Non-Affiliated Funds, and 10C – Related Entities & Conflicts of Interest.

Receiving compensation for the sale of certain investments presents a conflict of interest because it gives us an incentive to recommend these investments based on the compensation received instead of their investment needs.

We seek to minimize this conflict by excluding the market value of any products for which we receive compensation from the sponsor from their account value when determining fees. Clients will receive a copy of the private placement memorandum and/or mutual fund prospectus that details the costs and fees associated with each specific investment prior to making an investment.

Clients have the option of purchasing investment products that we recommend through other brokers or agents that are not affiliated with us, if desired.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

Generally, we are not compensated through performance-based fees. From time to time, we have entered into a performance-based fee agreement at the request of a client.

Under certain scenarios, Client accounts could be invested in a private investment fund that is sponsored by our affiliate, CIBC National Trust Company. Some of these private investment funds have a performance-based fee that is paid to our affiliate.

Certain conflicts may exist with respect to investment personnel who make investment decisions on behalf of several different types of clients. Such investment personnel have an incentive to allocate trades, time, or resources to certain clients, including those clients who pay higher investment management fees or that pay performance fees, over other clients. To mitigate these conflicts, our policies and procedures seek to ensure that all clients are treated fairly and equitably over time without consideration for our or our affiliates' (or such personnel's) pecuniary, investment or other financial interests.

We manage multiple strategies involving many asset classes and types of securities. Accordingly, we make investment decisions across strategies and individual accounts that vary based on specific strategy or client characteristics. We take different actions regarding portfolio implementation and further may take differing positions on the same security across multiple accounts, which may include simultaneous transactions in

different directions, often across strategies with different benchmarks and market capitalization requirements. When we implement for one client a portfolio decision or strategy ahead of, or contemporaneously with, similar portfolio decisions or strategies of another client, market impact, liquidity constraints or other factors could result in one or more clients receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased or such clients could otherwise be disadvantaged.

Under certain circumstances, a client may invest in a transaction in which one or more other clients are expected to participate, or have already made or will seek to make, an investment. Such clients may have conflicting interests and objectives in connection with such investments, including with respect to views on operations or activities of the issuer involved, the targeted returns from the investment and the timeframe for, and method of, exiting the investment. When making such investments, we may do so in a way that favors one client over another client, even if both clients are investing in the same security at the same time. In addition, other clients may expect to invest in many of the same types of investments as another client. However, there may be investments in which one or more such clients do not invest (or invest on different terms or on a non-pro rata basis) due to factors such as legal, tax, regulatory, business, contractual or other similar considerations or due to the provisions of a client's governing documents. Decisions related to the allocation of investment opportunities among such clients presents numerous conflicts of interest, which may not be resolved in a manner that is favorable to a client's interest. We have adopted policies and procedures to address such conflicts of interest as detailed further in Item 12.

## **Item 7: Types of Clients**

Our clients include individuals, trusts, estates, families, charitable organizations, employee benefit and contribution plans, corporations, state or municipal government entities, pension and profit-sharing plans, and other investment advisers.

We generally require a minimum account size of \$1,000,000. However, we also participate in several coordinated service arrangements as described in Item 5C with third parties that have lower minimum account sizes. Additionally, we waive the minimum account size based on several factors such as existing relationships or the expectation that a relationship will grow. See Item 5C for more information on coordinated service arrangements. Family office services provided through National Trust Company are for qualified clients, typically with \$50 million or more in assets under management and administration (AUMA).

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **Item 8A – Investment Strategies**

In general, we start our relationships by meeting with clients to understand their investment goals and objectives. We then determine an asset allocation and investment strategy designed to meet their goals and objectives. This overall strategy can include investments in strategies that we manage internally, investments that are managed by external managers, or a combination of the two.

Generally, each account is managed according to an investment policy statement. The investment policy statement specifies the investment goals for the account and includes information about how the client's account assets should be invested. Typically, the investment policy statement states a range of percentages for several asset classes, and we strive to adhere to those ranges when making investment decisions for their account. Some accountholders do, however, elect to have the account managed in line with a single strategy.

Our investment recommendations are driven by the work of the internal investment team and the client's individual Relationship Manager. In addition, our Investment Policy Committee and Asset Allocation Committee set the overall investment policy.

The Investment Policy Committee oversees our investment policies and strategies. The committee has the following responsibilities: reviewing fixed income and equity investment policy and strategy, reviewing investment policies and guidelines, investment programs, and the retention or disposition of asset decisions, reviewing the use of in-house and affiliated investment products, reviewing performance of sub-advised

investment products, reviewing and approving portfolio management strategies in response to market events and/or government policy changes, reviewing soft dollar practices and commissions, and other equity trading reports, as presented by the Equity Trading Practices and Fixed Income Trading Practices Committees, reviewing reports from other investment related committees, reviewing proxy voting practices, as presented by the Proxy Voting Committee, and escalating matters of material concern to the PWM Operating Committee. The Investment Policy Committee meets at least quarterly and consists of members of management and our investment and compliance departments.

The Asset Allocation Committee is responsible for developing and maintaining our asset allocation recommendations. The committee has the following responsibilities: developing, reviewing and disseminating its view on the current economic and investment environment, defining core investment asset classes that are appropriate for clients, determining target levels and ranges for each of the core asset classes for each portfolio objective, monitoring and maintaining our proprietary asset allocation models, reviewing relative valuation, risk profiles and growth opportunities of the various investment classes we utilize with a focus on strategically asset allocation and keeping client relationship managers and portfolio managers informed of economic developments and implications for managed portfolios. The Asset Allocation Committee meets monthly and consists of members of management and our investment department.

Both committees utilize reports to determine their recommendations and fulfill their respective responsibilities. The committees consider products across many categories in developing recommendations that we use when trading client assets.

Clients can invest in different types of investment strategies, including custom portfolios. Each strategy is primarily managed through the collaboration of analysts and portfolio managers. Since client accounts are assigned to a Relationship Manager for day-to-day management, individual accounts within the same strategy might hold different weightings and quantities of the securities within the strategy, and there could be slight variations on the actual securities held.

We offer the following Equity Strategies:

- **CIBC Disciplined Equity Strategy (Taxable and Tax-Exempt)** – The CIBC Disciplined Equity Strategy is a large capitalization equity portfolio constructed through a bottom-up investment process identifying companies operating in attractive industries, with strong competitive positions and management teams with a record of generating and deploying cash flow effectively. The strategy has the potential to outperform during periods when the market rewards strong fundamentals and quality companies. Conversely, when stocks with unattractive valuations and/or low-quality companies are favored, the strategy can underperform.
- **CIBC All Cap Growth Strategy** - The CIBC All Cap Growth strategy focuses on quality, high-growth companies, with strong near-term and long-term growth prospects, and strong earnings growth. The strategy has a high active share and the flexibility to invest across all market capitalizations.
- **CIBC Large Cap Growth Strategy** – The CIBC Large Cap Growth Strategy aims for growth with low volatility by investing in large market capitalization companies. The strategy seeks to reduce short-term volatility by investing in large companies that exhibit strong competitive positions, high levels of earnings visibility, strong profitability, and excellent management.
- **CIBC Mid Cap Growth Equity Strategy** – The CIBC Mid Cap Growth Equity Strategy seeks long-term capital appreciation by investing in high-quality companies with excellent business models that generate consistent, strong financial returns, and is diversified across economic sectors. The strategy has historically performed well in most market environments but has lagged during periods of market inflection points (2003, 2009, and 2020) and periods with extended valuations (1999). The high-quality focus and attention to business model strengths seek to limit risk and drawdown in more challenging market environments.
- **CIBC Equity Income Strategy** - The CIBC Equity Income Strategy seeks dividend growers at a reasonable price and can invest in dividend yielding common stocks, Real Estate Investment Trusts (REITs) and

Master Limited Partnerships (MLPs). The portfolio is comprised of high-quality companies with strong revenue, cash flow, and earnings growth.

- **CIBC Equity Income - (Non K-1) Strategy** - The CIBC Equity-Income Non-K1 Strategy seeks dividend growers at a reasonable price and can invest in high-quality common stocks, Real Estate Investment Trusts (REITs) and C-Corporations with Master Limited Partnership (MLP) exposure. Generally, the strategy follows the same investment process as our CIBC Equity Income Strategy, except to simplify client tax reporting, does not invest in securities that generate K1s. The portfolio is comprised of high-quality companies with strong revenue, cash flow, and earnings growth.
- **CIBC International Growth Strategy** – The CIBC International Growth Strategy focuses on high-quality international companies with sustainable business models and above-average earnings growth over extended periods of time. The strategy has the flexibility to invest in companies across all market capitalizations and provides broad country exposure to roughly 75% developed market and 25% emerging market holdings. Further, the strategy provides exposure to attractive growth companies worldwide with a focus on risk-adjusted returns.
- **(ISG50) Focused Growth and Income Strategy** - A hybrid equity portfolio with about half of the portfolio is allocated to growth stocks that seek capital appreciation and approximately half of the portfolio is allocated to income generating securities that seek to generate current income. Under this strategy, the Adviser may invest in, among other things, but not limited to, preferred equity securities, REITs, master limited partnerships, convertible securities, and hybrid securities. Clients should understand that there could be various tax consequences to the client when investing in this strategy (including, for example, unrelated business taxable income (UBTI) or return of capital) depending upon the type of client account. Companies a client owns in this strategy may also be owned by clients in other Legacy Geneva Equity Strategies. Companies held in this strategy may also be held in other Legacy Geneva Equity Strategies. This strategy is not open to new investments.
- **CIBC Quant 40 Strategy** – An equity strategy that seeks capital appreciation through the use of a proprietary quantitative scoring model. The foundation of the strategy is built on academic research of factors that have historically produced alpha. The Strategy ranks a universe of 5,000 securities; the top 40 positions are selected and held at equal weight and rebalanced monthly. Companies held in this strategy could also be held in other Geneva Equity Strategies. This strategy is not open to new investments.
- **CIBC Global Sustainable Equity Strategy** – The CIBC Global Sustainable Equity Strategy aims to integrate the assessment of environmental, social, and/or governance related opportunities and risks into a traditional fundamental equity selection process. The team utilizes a framework that incorporates elements of traditional fundamental research, valuation analysis, and ESG analysis. The ESG analysis is based on an internally generated research process while also accessing third party data to supplement internal research when appropriate. This strategy invests in approximately 35-60 securities and uses a blended benchmark (75% S&P 500 Index; 25% MSCI EAFE Index).
- **CIBC Durable Growth Strategy** – The CIBC Durable Growth Strategy is a concentrated all-cap equity portfolio of durable growth companies selling at significant discounts to rigorous assessments of long-term intrinsic value. The strategy has a broad, flexible mandate and sources potential investments across stage of lifecycle, geography, and current level of growth. The strategy takes an absolute value approach and only selectively invests in opportunities where the margin of safety is high and may hold up to 25% in cash if sufficient opportunities meeting this threshold are not present.
- **Nowlin Growth Model Strategy** – The Nowlin Growth Model Strategy incorporates a mix of the CIBC All Cap Growth and CBC Large Cap Growth strategy models described above and targets a subset of those securities based on fundamental analysis that includes return on investment, competition, balance sheet, debt, and management records. The strategy focuses on continued growth prospects with limited volatility.



We also offer the following Fixed Income strategies:

- **Tax-Exempt Fixed Income Strategy** – The strategy seeks risk-adjusted total return by structuring an intermediate-duration, investment-grade portfolio with a strategic bias toward current income. We use an active management approach by monitoring and rebalancing portfolios to capture the shifting opportunities in the marketplace to enhance total return.
- **Taxable Fixed Income Strategy** – The strategy seeks risk-adjusted total return by structuring an intermediate-duration, investment-grade portfolio with a strategic bias toward current income. We use an active management approach by monitoring and rebalancing portfolios to capture the shifting opportunities in the marketplace to enhance total return.
- **Tax-Exempt Municipal Bond Strategy** – The Tax-Exempt Municipal Bond Strategy was created to provide clients with a diversified portfolio of high-quality, tax-free securities. This strategy is designed to achieve our investment objectives of capital preservation and generation of federally tax-exempt income. Portfolio construction incorporates in-depth credit analysis, geographic exposure, and a limited maturity bond structure when determining suitability for inclusion in our strategy.
- **Intermediate Bond Strategy** – The Intermediate Bond Strategy's objective is to balance capital preservation, income generation, and growth of principal, and is designed for those investors looking for investment-grade fixed income exposure. This strategy emphasizes investment grade corporate bonds, mortgage-backed, taxable municipal, and U.S. government securities.
- **Total Return Bond Strategy** – The Total Return Bond Strategy's objective is to produce long-term performance relative to the Barclay's Aggregate Bond Index. The strategy uses an actively managed total return approach that invests in a diversified portfolio of fixed income instruments including high-yield fixed income securities. The flexible mandate allows for strategy sector allocations, tactical yield curve positioning, and bottom-up security selection.

Cross Trades

Generally, we do not conduct cross trades in which a security in one account is sold to/bought from another account. However, in rare circumstances, we will conduct a trade for a client's account with a broker, and then subsequently re-purchase or re-sell the same security with that broker for another client. We would act as an agent for both clients and have duties to both clients in this scenario. Both transactions would be executed at the current market price for each trade, set by the executing broker.

**Item 8B – Material Risks**

As discussed in item 8A, we generally start our relationships by meeting with clients to determine their investment goals and objectives. We then determine an asset allocation and investment strategy designed to meet those goals and objectives. Depending on the securities or strategies that are selected, their account could face several potential risks. The assets held in their account are not guaranteed and can lose value. There is no guarantee that the principal value of client accounts will be maintained. Depending on the types of securities that are held in a client's account, that account is subject to one or more of the following risks, and clients should be aware that not all of the risks listed below will apply to every investment strategy, as certain risks may only apply to certain investment strategies or investments in different types of securities.

- **Active Trading risk** - Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.
- **Asset-Backed Securities risk:** Payment of principal and interest on asset-backed securities is dependent largely on the cash flows generated by the assets backing the securities, and asset-backed securities may not have the benefit of any security interest in the related assets.
- **Capitalization risk:** Significant exposure to securities in a particular capitalization range (large-, mid- or small-cap securities) can pose risk in that the predominant capitalization weighting could underperform other segments of the market as a whole.
- **Company risk:** External and internal factors can affect a firm's profitability and stock prices.

- **Concentration risk:** Losses can occur from having a substantial portion of holdings in a particular investment, asset class, or market segment relative to an investor's overall portfolio. Concentration can be the result of several factors such as company stock concentration, concentration due to correlated assets, concentration in illiquid investments, or concentration due to asset performance.
- **Corporate Fixed Income Securities risk:** The prices of corporate fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness and business prospects of individual issuers.
- **Credit risk:** The risk that the issuer of a security or the counterparty to a contract will default or otherwise become unable to honor a financial obligation.
- **Cybersecurity risk:** As the use of technology has become pervasive in the ordinary course of business, we have become potentially more susceptible to operational and other risks through breaches in cyber security. In general, cyber incidents can be the result of intentional and unintentional events for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. This in turn could cause us to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the digital information systems that support an account (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). Authorized persons could also inadvertently or intentionally release confidential or proprietary information stored on our systems. In addition, cyber security breaches of third-party service providers that provide services to an account or issuers that an account invests in can also subject us to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, we have established risk management systems in conjunction with our parent company CIBC designed to reduce the risks associated with cyber security. Our parent company, CIBC, performs routine cyber risk assessments to ensure that we have in place controls designed to minimize user-related risks and prevent unauthorized access to information and systems. This includes threat and vulnerability management testing on the systems used by us and is responsible, in concert with our employees for cyber security incident response and recovery. A cybersecurity dashboard is reviewed by management on a quarterly basis and includes metrics on areas of cyber risk and description of any significant cyber security incident. Beyond our internal systems, there are cyber risks associated with those systems we do not directly control such as those of issuers or third-party service providers, and therefore we cannot guarantee that clients will not be harmed because of cyberattacks or similar issues on those systems.
- **Emerging Markets risk:** Emerging markets could be exposed to greater volatility and market risk than developed markets.
- **ESG risk:** A strategy focused on ESG investments may exclude securities of certain issuers for non-financial reasons, thereby potentially foregoing certain other market opportunities available to strategies not focused on ESG investments. This may cause the strategy to underperform the financial markets. There is also risk that the companies identified for inclusion in the ESG investment strategy do not operate as expected when addressing ESG issues.
- **Event risk:** Significant political, social, economic, and other events can adversely affect the financial markets and client investments.
- **Exchange rate or currency risk:** The U.S. dollar value of foreign securities, U.S.-listed foreign securities, and ADRs varies and is dependent on currency exchange rates, which fluctuate based on various economic, political, and social reasons.
- **Fixed Income Market risk:** The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers, including governments and their agencies. In the case of foreign securities, price fluctuations will reflect international economic and political events, as well as changes in currency valuations relative to the U.S. dollar.
- **Foreign Security risk:** Foreign securities have the potential to be more volatile than U.S. securities due to such factors as adverse economic, political, social, or regulatory developments in a country.
- **High Yield Debt Securities Risk:** Investments in high yield debt securities ("junk bonds") and other lower-rated securities may subject the strategy to substantial risk of loss. These securities are considered to be speculative with respect to the issuer's ability to pay interest and principal when due, are more susceptible to default or decline in market value and volatile prices and are

less liquid than investment grade debt securities. Interest rate risk: The risk that the value of fixed income securities will fall due to rising interest rates.

- **Inflation-Indexed Securities Risk:** The values of inflation-indexed securities generally fluctuate in response to changes in real interest rates, and the strategy's income from its investments in these securities is likely to fluctuate considerably more than the income distributions of its investments in more traditional fixed-income securities. Leverage risk: The use of leverage can amplify the effects of market volatility on share price and may also cause a liquidation of portfolio positions when it would not be advantageous to do so to satisfy obligations.
- **Initial Public Offering (IPO) Risk:** The prices of IPO securities often fluctuate more than prices of securities of companies with longer trading histories and sometimes experience significant price drops shortly after their initial issuance. In addition, companies offering securities in IPOs may have less experienced management or limited operating histories.
- **Liquidity risk:** Various economic conditions could lead to limited liquidity (the ability to readily convert an investment into cash) and greater volatility.
- **Management risk:** The investment techniques and risk analysis used by the portfolio manager(s) of a fund or strategy may not produce the desired results.
- **Market risk:** Investments in securities may not perform as expected and the value of securities may decline in response to, among other things, investor sentiment, general economic and market conditions, regional or global instability, and currency and interest rate fluctuations.
- **Mortgage-Backed Securities risk:** Mortgage-backed securities are affected by, among other things, interest rate changes and the possibility of prepayment of the underlying mortgage loans. Mortgage-backed securities are also subject to the risk that underlying borrowers will be unable to meet their obligations.
- **Preferred Stock risk:** Preferred stocks are sensitive to interest rate changes, and are also subject to equity risk, which is the risk that stock prices will fall over short or extended periods of time. The rights of preferred stocks on the distribution of a company's assets in the event of a liquidation are generally subordinate to the rights associated with a company's debt securities.
- **Sector risk:** Investments with high concentrations in a particular sector (e.g., energy, information technology, consumer products) will be more impacted by adverse effects on companies in those sectors than investments that are broadly diversified.
- **U.S. Government Securities risk:** Investment in U.S. government obligations may include securities issued or guaranteed as to principal and interest by the U.S. government, or its agencies or instrumentalities. Payment of principal and interest on U.S. government obligations may be backed by the full faith and credit of the United States or may be backed solely by the issuing or guaranteeing agency or instrumentality itself. There can be no assurance that the U.S. government would provide financial support to its agencies or instrumentalities (including government-sponsored enterprises) where it is not obligated to do so. In addition, U.S. government securities are not guaranteed against price movements due to changing interest rates.
- **Valuation Risk:** Financial information related to securities of non-U.S. issuers may be less dependable than information related to securities of U.S. issuers, which may make it difficult to obtain a current price for a non-U.S. security held by an underlying strategy. In certain circumstances, market quotations may not be readily available for some underlying strategy securities, and those securities may be fair valued. The value established for a security through fair valuation may be different from what would be produced if the security had been valued using market quotations. Underlying strategy securities that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their value from one day to the next than would be the case if market quotations were used. In addition, there is no assurance that an underlying strategy could sell a portfolio security for the value established for it at any time, and it is possible that an underlying strategy would incur a loss because a security is sold at a discount to its established value. The exercise of discretion in valuation by the Adviser gives rise to conflicts of interest. Valuations (including, for instance, determination of when an investment should be written down or written off) impact the Adviser's record and the performance allocation in certain strategies is calculated based, in part, on these valuations and such valuations affect the amount and timing of performance fees and calculation of advisory fees.
- **Volatility risk:** Securities prices can be volatile in that they can fall or rise, sometimes rapidly and unpredictably, due to various contributing factors.

### Trading Errors

While managing client accounts, it is possible that a trading error may occur. If we cause an error in a client account, it is our policy to put their account either back in the position or in a better position than it would have been had the error not occurred. For trade errors that occur in wrap fee programs, we generally do not have the ability to control the ultimate resolution of the trade error. In these instances, the trade error and resolution thereof will be governed by the wrap fee program sponsor's policies and procedures.

### **Item 8C – Security Specific Risks**

As described in Item 8A, we recommend and implement a large variety of investment strategies. Each type of investment strategy carries some risk of loss, and the risk of loss varies from one investment strategy to another. See Item 8B above for a general disclosure of the risks involved in opening or maintaining an account with us.

## **Item 9: Disciplinary Information**

### **Item 9A – Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **Item 9B – Regulatory Proceedings**

There are no regulatory proceedings to report.

### **Item 9C – Self Regulatory Organization Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Item 10A – Broker-Dealer Registrations**

We are not registered as a broker-dealer, and we do not have a pending application to register as a broker-dealer. Some individuals at our firm are registered as a representative of a related broker-dealer. See item 10C for more detail on our related broker-dealer.

### **Item 10B – Commodities & Futures Registrations**

We are not registered in any capacity with the Commodity Futures Trading Commission ("CFTC"). Further, none of our managers are registered or pending registration with the CFTC. Registration with the CFTC includes registration as a futures commission merchant, introducing broker, commodity pool operator, commodity trading advisor, or an associated person of any of those entities.

### **Item 10C – Related Entities & Conflicts of Interest**

We have relationships with several affiliated entities as described below.

#### Related Broker-Dealers

CIBC World Markets Corp. is an affiliated U.S. entity that is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer. CIBC World Markets Corp. maintains certain securities licenses for certain of our employees who sell securities or provides support to those who sell securities to clients. Employees who are registered as representatives of CIBC World Markets Corp. receive sales compensation for selling certain investments to their clients; accordingly, they have a potential conflict of interest due to the financial incentive to sell certain investments based on compensation rather than a client's needs.

CIBC World Markets Corp. also serves as the underwriter for structured products which may be available for use

in in client accounts. We charge a management administrative fee, based on the market value of the product for the length of time such product remains in their account. CIBC World Markets Corp., as underwriter for the product, acts in a principal capacity with respect to the offering of the product and expects to profit from the offering of the product. This creates a conflict of interest due to the financial incentive to sell certain investments underwritten by a related Broker-Dealer that may increase compensation for us. We seek to mitigate this conflict of interest through training and supervision of personnel and processes and by typically putting any note out for bid from various broker dealers and CIBC World Markets Corp in an attempt to achieve the best terms for the clients.

#### Related Investment Companies

We act as the investment adviser to the CIBC Atlas Disciplined Equity Fund, the CIBC Atlas Income Opportunities Fund, the CIBC Atlas MidCap Equity Fund, the CIBC Atlas All Cap Growth Fund, the CIBC Atlas Equity Income Fund, and the CIBC International Growth Fund, each of which is an Advisors Inner Circle Fund. As mentioned in Item 5, while we receive an investment advisory fee for our services to these funds, we do not charge an asset-level fee to our clients for investment in these funds.

#### Related Investment Adviser

CAMI, a wholly owned subsidiary of our ultimate parent company, CIBC, is registered with the SEC as an investment adviser and is an affiliate of ours. CAMI serves as investment adviser to several Canadian funds and has engaged us to act a sub-adviser. We receive an asset-based investment advisory fee for the services we provide to these funds.

While it is unlikely that we would invest money from client accounts in these Canadian funds, it is considered an affiliated product and would be excluded when determining the market value of their account for billing See Item 5C above.

We also have an agreement with CAMI, to provide them with model portfolios in exchange for a portion of the fees collected. In addition, we have in place an agreement with respect to sharing fees for client referrals. We do not believe these arrangements pose a material conflict of interest or disadvantage to clients.

#### Related Banking or Thrift Institution

We have an inter-company agreement with our affiliates, CIBC National Trust Company, CIBC Bank USA, and CIBC Delaware Trust Company to share office space and certain operational functions and employees. We do not believe these arrangements pose a material conflict of interest or disadvantage to clients.

Our affiliate, CIBC Bank USA

- Offers a cash sweep program which allows accounts to earn a return on an uninvested cash balance. The cash sweep program of CIBC Bank USA deposits funds into interest-bearing FDIC Insurance eligible accounts. With a client's consent, their relationship management team, considering the investment objective of their account, may employ the CIBC Bank USA cash sweep program for their account. For client brokerage accounts maintained at Fidelity, the sweep into an interest-bearing account at CIBC Bank USA (further described in Item 12A) is the default option for cash awaiting investment or withdrawal. Funds swept into the CIBC Bank USA deposit accounts under the sweep program provide a relatively low-cost source of assets to CIBC Bank USA and its dual role as our financial affiliate and depository institution for the sweep program creates a conflict of interest. This conflict is mitigated by the fact that neither their relationship management team nor we receive any compensation from our affiliate for choosing this sweep option for a client's uninvested cash.
- Offers banking products, including but not limited to loans, lines of credit, mortgages, and deposit accounts. A client's relationship management team may, based on their financial objectives or stated needs, suggest a product offered by CIBC Bank USA. This referral creates a conflict of interest because while their relationship management team does not receive any direct compensation for such recommendation of CIBC Bank USA products, certain

individuals may receive a discretionary bonus or grant of CIBC restricted stock based upon the overall volume of referrals made to CIBC Bank USA. Additionally, if clients select a loan or line of credit which is collateralized by assets in their account with us, the client will only be allowed to withdrawal assets that are more than the pledged collateral. This creates a conflict of interest for us as our firm is primarily compensated through fees that are based upon assets under management. We have an incentive for clients to initiate a loan or draw down a line of credit to meet liquidity needs rather than sell securities in their accounts. Clients are responsible for independently evaluating whether a CIBC Bank USA product is appropriate for their needs.

- Under a CIBC Ambassador Program, employees of CIBC Bank USA are compensated for the referral of an individual with whom they have a personal or family relationship. Employees can refer an individual to one or more of the following groups: Personal Banking, Business and Commercial Banking and Private Wealth Management. This compensation for referral creates a conflict of interest for our employees. Clients are responsible for independently evaluating whether a CIBC Bank USA product or our advisory service is appropriate for their needs.

*Clients are never under any obligation to select any product or service offered by CIBC Bank USA.*

Our parent, CIBC, serves as the issuer of structured notes. While a client's Relationship Manager is not incentivized by the offer of structured notes underwritten by CIBC World Markets Corp., because CIBC, CIBC World Markets Corp. and we are affiliated entities, we have an incentive and conflict of interest to select CIBC products rather than similar products underwritten by unaffiliated underwriters. We seek to mitigate this conflict of interest through training and supervision of personnel and processes and by typically using an auction process with other external issuers to achieve the most favorable terms for our clients.

Our parent, CIBC is a publicly traded entity. As such, we have a potential conflict of interest in the support of the CIBC share price through the purchase of shares in our client accounts. We mitigate this conflict by permitting ownership of shares of CIBC only at client direction. In addition, we segregate CIBC shares in an unsupervised account and do not provide investment advice on these holdings nor do we bill on these assets. Any decision to hold, purchase or sell a CIBC investment is made by the client, acting on their own, through the provision of a written letter of direction to us.

Our parent, CIBC, has in place a recognition program "Moment Makers" which awards points redeemable for goods and services to employees for, among other activities, the referral to the bank of an individual with whom they have a personal or family relationship. Employees can refer an individual to one or more of the following groups - Personal Banking, Business and Commercial Banking and Private Wealth Management. These points awarded for a referral creates a conflict of interest for our employees. Clients are responsible for independently evaluating whether a CIBC product or our advisory service is appropriate for their needs.

#### Related General Partner

Our affiliate, CIBC National Trust Company, acts as manager or managing member to several private investment funds which are listed above in Item 5C: Private Placements.

- CIBC National Trust Company charges a fee for its services as manager or managing member and we generally receive a portion of the fees charged by our affiliate for investments our clients make in the above funds. This creates a potential conflict of interest. However, if we invest money from a client's account in the above funds, it is considered an affiliated product and is excluded when determining the market value of their account for billing. We believe this minimizes the potential conflict.
- Occasionally an asset in one of the private funds, for which CIBC National Trust Company acts as a manager or managing member, will contain a hard to value security. CIBC National Trust Companies collects management fees based upon the assets under management in client accounts. Thus, the valuation of securities in these funds creates a potential conflict of interest. To mitigate this conflict the firm has in place a valuation policy. Under this policy, valuation decisions are made

following consultation with the funds independent public accounting firm and the fund's Oversight Committee. We believe that this process minimizes potential conflict.

Our affiliate, CIBC Private Wealth Group LLC, acts as manager or managing member to several private investment funds which are listed above in Item 5C: Private Placements. CIBC Private Wealth Group LLC charges fees for its services as manager or managing member and we generally receive a portion of the fees charged by our affiliate for investments our clients make in the above funds. This creates a potential conflict of interest. However, if we invest money from their account in the above funds, it is considered an affiliated product and is excluded when determining the market value of their account for billing. We believe this minimizes the potential conflict.

#### Other Related Persons

We are affiliated with the following CIBC entities, with which we participate in a client referral arrangement (see Section 14C for more details): CIBC, CIBC World Markets Inc., CIBC World Markets, Corp., CIBC Investor Services Inc., CIBC Bank USA, and CIBC Asset Management Inc. A referral arrangement represents a conflict of interest; however, we mitigate this conflict by providing full disclosure of the referral fee to clients and obtaining their written acknowledgment that they are aware of the fee. There is no additional charge to a client if they are referred.

### **Item 10D – Other Business Relationships & Conflicts of Interest**

We recommend or select other investment advisers for our clients. Clients can have separate accounts set up directly with these investment advisers or in a private investment fund managed by these advisers. We do not receive compensation from other investment advisers if clients open a separate account with them directly. However, we do receive compensation for investments in certain private investment funds, which is described in Item 5C: Other Non-Affiliated Private Investment Funds above. We do not include those funds in the market value of their account for the purpose of determining our fees when we receive a placement fee. We believe that this removes any incentive for us to invest their assets in these products. In addition, the manager or sponsor of certain unaffiliated private investment funds may obtain lines of credit or other services from our affiliate, CIBC Bank USA. The Adviser is not involved with the selection of CIBC Bank USA for such services and does not receive compensation as part of such service offerings, but CIBC Bank USA is compensated for its services to such unaffiliated private investment funds.

Our affiliate, CIBC World Markets Corp., owns 9.09% of Loop Capital, LLC, which controls and is the majority owner of Loop Capital Markets LLC ("LCM"), a registered broker-dealer. We transact with LCM subject to the identical criteria as we would with any other broker-dealer, including best execution obligations.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

#### **Item 11A – Code of Ethics Description**

We have a detailed Code of Ethics (the "Code") in place, by which all employees must abide, in accordance with SEC Rule 204a-1. The Code sets forth standards of conduct which requires that employees receive pre-clearance from compliance before effecting personal securities transactions in investments of covered securities that can be made for our clients. This includes but is not limited to stocks, bonds, exchange traded funds (ETFs), and any of their derivatives such as options, as well as affiliated funds (unless held in an employee's CIBC 401(k) plan) and private placements. These reporting and approval processes are designed to ensure that the employee's personal interest and security transactions are not placed before our clients' interests whereas to prevent and minimize as much as possible, actual, or potential conflicts of interest. The requirement of our Code applies to our employees as well as their spouses, minor children, and other dependents residing in the same household ("covered individuals"). Personal securities transactions placed by employees that are not involved in investing client funds (those employees who do not have access to our trading/client relationship management systems or materials) are subject to less stringent requirements than those who have access.

Our Code requires that the individuals covered pre-clear all transactions in covered securities. We require that

the individuals covered disclose all brokerage account relationships capable of investing in covered securities to the compliance department. Brokerage accounts for covered individuals can only be held with firm approved broker dealers unless they are actively managed accounts whereas the covered individual does not have any trading discretion. Additionally, transaction confirmations and custodial account statements for each account that our employees maintain are required to be sent to the compliance department. This requirement does not pertain to Discretionary Managed Accounts where employees have designated all investment decision making to a professional investment advisor and are not aware of transactions before they are executed. The code of ethics also places several procedural restrictions on personal trading such as time periods during which a security can be traded and how long securities must be held. Additionally, employees must certify, at least annually, that they have complied with the Code.

Our Chief Compliance Officer (or another designated individual) is responsible for overseeing the Code of Ethics program to ensure that covered individuals are following the Code.

The Adviser will provide clients or prospective clients with a copy of our Code of Ethics by contacting us at (312) 368-7700 or PWM-ATCCompliance@CIBC.com.

### **Item 11B – Investment Conflicts of Interest**

In certain situations, we recommend the purchase of securities for which we receive a financial incentive for the recommendation. To minimize the potential conflict of interest, we generally do not include any such investments in the market value of a client's account for the purpose of calculating fees. See Item 5C: Affiliated Funds and Non-Affiliated Funds; Private Placements; and Other Non-Affiliated Private Funds above, which describes these scenarios in more detail.

Potential conflicts of interest also exist when errors are made while trading securities for client accounts. Please see item 8B: Trading Errors, for details on how we mitigate this potential conflict.

### **Item 11C – Personal Investments in Similar Securities**

To minimize potential conflicts of interest, our code of ethics has several restrictions in place that limit covered individuals from trading in the same securities that we recommend to clients. The code of ethics does not allow a covered individual with knowledge of our trading activity (investment personnel) to trade in the same security as a client account within three trading days (before or after) it is traded in any client account. A covered individual without knowledge of our trading activity cannot trade in the same security as a client account for two trading days after it is traded in the client account. This trading restriction is, however, subject to the "de minimis" exception described below. Also, covered individuals cannot trade the same security if there is an open client trade currently with the trading desk. As an example, if a client trades in a security on Monday, a covered individual will not be cleared to place a trade in that same security until Thursday.

Our code of ethics does allow covered individuals to place trades over a rolling 30-day period in a security traded in a client account, if the amount of the shares traded, either by the client or the employee, is considered "de minimis."

Our code of ethics places restrictions on personal trading that are designed to minimize potential conflicts of interest, which are described briefly in Item 11A.

### **Item 11D – Personal Investments by Adviser Employees**

As described in Item 11A, our code of ethics places restrictions on covered individuals' personal trading activity designed to minimize potential conflicts of interest that can arise such as profiting personally based on knowledge of client trading activity. These restrictions include blackout periods, pre-clearance requirements, prohibition of short-term trading profits, prohibition of short sales, prohibition on participating in initial public offerings, and a prohibition on buying certain restricted securities. We believe that these restrictions limit potential conflicts of interest as much as is practicable.

Each of the restrictions referenced are described in detail in our code of ethics. A copy of our complete code of ethics is available upon request.



## Item 12: Brokerage Practices

The Adviser's trading and brokerage practices are set forth below. We have also sought to describe conflicts that arise in connection with the execution of trades for client accounts and the measures we use to manage those conflicts.

The Trading department executes all trade orders directed by our firm's investment staff. Our trading professionals have responsibility for selection of brokers and electronic trading methods, negotiation of commission rates, sequencing of orders, and overall trade execution. Trades may be executed through electronic trading methods, which include broker sponsored algorithms and accessing third party venues, by manually working an order with one or more counterparties, or through direct trading between client accounts. Trading policies are developed and monitored by our Investment Policy Committee.

The following policies apply to all client accounts managed by us, unless otherwise noted. Certain policies, however, either do not apply to or are different for accounts of Managed Account Programs because certain trades for these accounts are executed through the sponsoring broker designated by the Program Sponsor (the "Sponsoring Broker"). For information regarding trading for Managed Account Programs see "Aggregation of Client Orders" below.

### Item 12A – Selecting Broker-Dealers

Generally, the Adviser receives discretionary (or nondiscretionary) investment authority from its clients at the outset of an advisory relationship. Subject to the terms of the applicable investment management agreements, our authority often includes the ability to select brokers and dealers ("Brokers") through which to execute transactions on behalf of its clients, and to negotiate the commission rates at which transactions are affected. In making decisions as to which securities or instruments are to be bought or sold and the amounts thereof, we are guided by the investment mandate selected by the client and any client-imposed guidelines or restrictions. Purchase and sale orders for securities are executed by the Adviser's Trading Desk under the general supervision of the Private Wealth Management Chief Investment Officer. The Trading Desk operates under the trading policies and procedures of the Adviser.

#### *Best Execution*

We select Brokers based on our ability to provide the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commission or spread). Best execution is the process of executing securities transactions for clients in such a manner that the client's total cost or proceeds (as applicable) in the relevant transaction is the most favorable under the circumstances, while taking into consideration all factors that we deem relevant.

To determine which broker provides the best execution service for a transaction, we consider several varied factors, including, but not limited to, the following:

- Our knowledge of negotiated commission rates that are available as well as other transaction costs
- The nature of the security being bought or sold
- The size of the transaction
- The desired timing of the transaction
- The activity existing and expected in the market for the security being considered
- Confidentiality
- The execution, clearance and settlement capabilities of the broker or dealer
- Our knowledge of the financial conditions of available brokers
- Our knowledge of any potential operational problems facing available brokers or dealers
- Our knowledge of a specific expertise of a broker or dealer

After weighing the above factors, we could determine that a broker with a higher commission rate is the best broker for a particular transaction. Price is not the only factor we consider so at times we may not use the broker with the best available net price.

We maintain and periodically review a list of approved brokers and dealers that we believe are financially stable and capable of providing clients with the best execution. Our traders are directed to use only brokers and dealers

from this list. Additionally, subject to best execution obligations, we may execute transactions for clients with our affiliated broker-dealer.

#### *Research and Other Soft Dollar Benefits*

We acquire research and brokerage products and services (“Soft Dollar Products”) from Brokers in return for directing trades for client accounts to those firms. Soft Dollar Products are used by the Adviser in the investment decision making process for our clients. The use of brokerage to obtain research is specifically provided for in Section 28(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Section 28(e) of the Exchange Act requires that when a Broker provides research services, and the adviser executes a trade with that Broker, the adviser must determine in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the Broker, viewed in terms of either that particular transaction or the advisor’s overall responsibility to all of its discretionary accounts. Section 28(e) permits a client account to pay a brokerage commission in a soft dollar trade more than that which another Broker-dealer might have charged for the same transaction.

Soft Dollar research products include, but are not limited to:

- Database Services – We are given access to databases that include current and/or historical information on companies and industries. The information included consists of historical security prices, earning estimates and SEC filings. Database services also include software tools that give us the ability to analyze the data and use it in our investment process. For example, we should be able to create forecasts and other models that help us decide how to manage a client’s account.
- Quotation, Trading & News Systems – These systems have real-time data about the market such as security prices, current trading volume, and news impacting specific securities and/or the market overall.
- Economic Data/Forecasting Tools – These products use forecasting tools to give us predictions about the market based on economic data and political forecasts for various countries or regions.
- Quantitative/Technical Analysis – We receive analyses from third parties that they have created using software tools to analyze technical market data such as prices and market volume. We are also given access to software tools that will allow us to do such analyses ourselves.
- Fundamental Industry Analysis – We receive analyses from third parties based on industry-specific market research such as the trends in a specific industry.
- Fixed Income Security Analysis – These products provide us with an analysis specific to fixed income securities. These products assist us in making financial models related to fixed income securities; we use them to project what might happen with a particular security’s cash flows in the future and/or to try and determine how interest rates may fluctuate in the future.

We face a potential conflict of interest when they use client trades to obtain Soft Dollar Products. This conflict exists because we can use the Soft Dollar Products to manage client accounts without paying cash (“hard dollars”) for the Soft Dollar Products, which reduces the Adviser’s expenses. Section 28(e) permits us to use Soft Dollar Products for the benefit of any of the accounts it manages. Certain accounts we manage may generate soft dollars used to purchase Soft Dollar Products that ultimately benefit other accounts managed by the Adviser, effectively cross subsidizing the other accounts managed by us that benefit directly from the product.

Certain Soft Dollar Products may be available directly from a vendor on a hard dollar basis; other Soft Dollar Products are available only through Brokers in exchange for soft dollars. We use soft dollars to purchase two types of research products:

- proprietary research created by the Broker executing the trade, and
- other products and research created by third parties that are supplied to the Adviser through the Broker executing the trade.

Proprietary research consists primarily of traditional research reports, recommendations and similar materials produced by the in-house research staffs of Broker-dealer firms. This research includes evaluations and recommendations of specific companies or industry groups, as well as analyses of general economic and market conditions and trends, market data, contacts and other related information and assistance. The proprietary research targets that we establish with brokers reflect discussions that we have had with each broker and the level of commissions we expect to generate to receive a given product. The targets are not binding commitments

and we do not agree to execute a minimum number of trades to any particular broker in exchange for soft dollar products. When we set targets, we want to ensure that the value of the product we receive is reasonably in line with the cost required to obtain it. We set these targets each calendar year. We will receive the products negotiated whether we direct commissions to the broker in equal to, less than, or more than the targeted amount. In the case of third-party products, the third party is paid by the broker, not by us. We enter into a contract with the third party for products such as software (a license agreement), but we are not paying the third party directly. We can also obtain brokerage and research services that include computer software for an Electronic Communications Network ("ECN") that permits us to utilize an internet based multi-dealer trading platform and proprietary portfolio and benchmark analytical software from one or more of the dealers with whom we execute trades.

We periodically rate the quality of proprietary research produced by various Brokers. Based on the evaluation of the quality of information that we receive from each Broker, we develop an estimate of each Broker's share of the Adviser's clients' commission dollars. We attempt to direct trades to the firms to meet these estimates.

We use soft dollars to acquire third party products and services that are supplied to the Adviser through Brokers executing the trades or other Brokers who "step in" to a transaction and receive a portion of the brokerage commission for the trade. that a portion of a transaction be "stepped out." In a step-out trade the executing Broker, dealer, or other counterparty (the "Step-out Broker") allocates a portion of a trade that has been executed to another Broker, dealer, or other counterparty (the "Step-in Broker") that in turns clears and settles the portion of the trade allocated to it. The Step-in Broker receives a commission for those services.

We may receive certain "mixed-use" services, where a portion of the service is eligible to be purchased with soft dollars and another portion of the service must be paid for with cash. In such instances, the Adviser allocates the services between those that are soft dollar eligible, and those that are ineligible for soft dollars, and the cost of the portion of the service that is ineligible for soft dollars will be billed separately and will be paid directly by us in hard dollars.

New soft dollar research services (both 100% research and mixed-use) are reviewed and approved by the Chief Investment Officer, Chief Compliance Officer (or designee) and General Counsel (or designee) prior to use and are subsequently ratified by the Committee.

We believe that over time most to all our clients benefit from our use of soft dollar research products. Also, we share trading desks and research products with our affiliates, CIBC National Trust Company, and CIBC Delaware Trust Company. In doing so, soft dollars generated by clients of our affiliate are used to buy research products that can benefit clients and vice-versa. We believe that these further benefits clients of both companies.

On occasion, we are given the opportunity to participate in initial public offerings of securities ("IPO's"). Not all clients are eligible to participate in IPO's. For example, investment restrictions or a client's investment objectives could make IPO's an unsuitable investment option. Also, if a client has directed us to use a particular broker for their trades, they will not be able to participate unless the broker they have selected is part of the IPO underwriting process. If they request to participate in IPOs in general, their request is reviewed by the investment team which makes the determination if the request is possible. If their request is possible, the investment team may allocate IPO opportunities to their account grouped with orders from other accounts and the allocation clients may receive will be pro-rated based on the order size.

#### *Certain Clients Custodied at Schwab and Fidelity*

We may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, or Fidelity Brokerage Services LLC ("Fidelity"), a registered broker-dealer among others to maintain custody of clients' assets and to effect trades for their accounts. We are not affiliated Schwab or Fidelity. Each of Schwab and Fidelity separately provide us with access to institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a minimum amount of the advisor's clients' assets are maintained in accounts with them and are not otherwise contingent upon us committing to them any specific amount of business (assets in custody or trading). These broker-dealer services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial

investment. For our client accounts maintained in their custody, these broker-dealers generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them or that settle into accounts for which they act as custodian.

In addition to the services enumerated above, Fidelity offers a Bank Deposit Sweep Program ("BDSP") for brokerage accounts which our clients maintain with them. The BDSP is a core transaction account option for Fidelity brokerage accounts where cash awaiting investment or withdrawal is held. Under a client's Fidelity trading authorization, we have been granted the authority as their Authorized Agent/Advisor to instruct Fidelity as to which core transaction account to utilize for cash held in client accounts. Currently, the BDSP is the default option. The BDSP is an interest-bearing deposit account at CIBC Bank USA, an Illinois-chartered bank and member of the Federal Deposit Insurance Corporation ("FDIC"). CIBC Bank USA is an affiliate of ours. Funds in the BDSP are insured by the FDIC up to \$250,000 per depositor, per depository bank, for each account ownership category. Other deposits clients maintain with CIBC Bank USA either directly or through another intermediary will be aggregated with their cash in the BDSP for purposes of determining the amount of deposits covered by FDIC insurance. Any deposits beyond the FDIC limit will be non-collateralized deposits at CIBC Bank USA.

Amounts in the BDSP remain subject to any applicable account-level fees, however, neither we nor Fidelity receives any fees from CIBC Bank USA relating to Fidelity's deposit of funds into the BDSP. CIBC Bank USA can use amounts in the BDSP to fund lending and investments, and it earns net income from the difference between the interest and other expenses it pays to maintain the BDSP and the income it earns from loans and investments made with those amounts. While the BDSP is the default option for cash held in a client's Fidelity brokerage account, their relationship management team, considering the rate of return and safety of their sweep account, can opt to employ a cash sweep program for their account other than BDSP. The account options available to their account includes other bank deposit products, which could offer a higher or lower than the interest rate than offered for the BDSP.

These broker-dealers also make available to us other products and services that benefit us but do not directly benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts and assist with back-office functions, recordkeeping and client reporting. Many of these services generally are used to service all or a substantial number of our accounts, including accounts not maintained at that broker-dealer.

These broker-dealers also makes available to us other services intended to help us manage and further develop our business enterprise. These services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers make available, arrange and/or pay for these types of services rendered to us by independent third parties. These broker-dealers discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to us. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by these broker-dealers, which creates a potential conflict of interest.

#### *Brokerage for Client Referrals*

When we select brokers for our client transactions, we do not take into consideration whether a particular broker or dealer refers clients to us. However, we sometimes recommend Schwab or Fidelity platforms for client accounts based on our relationships with them. If a client selects either platform, we must trade with that broker. This presents a potential conflict of interest because both Schwab and Fidelity refer clients to us, which could give us an incentive to recommend them to our clients. As discussed above, whether a broker provides us with client referrals is not a consideration when recommending that broker to a client. This conflict is also mitigated because the decision as to which platform a client selects for their brokerage is up to the client. It is also their decision to direct their trades to a particular broker based on where the client's custodian account is held. We decide which brokers to use based on several criteria and do not direct trades to brokers specifically in exchange for client referrals.

*Directed Brokerage*

On occasion, a client will direct in writing either that the Adviser effect transactions in the client's account through a particular Broker or Brokers or that we pay a particular commission rate in effecting transactions. In these cases where the client directs brokerage, trades for that client in a particular security will typically be placed separately from, rather than aggregated with, other client accounts, and will typically occur after trading for those other client accounts has been completed. If a client directs us to use a specific Broker, it may lose any discounts that we negotiate on aggregated transactions, it may pay higher transaction costs or brokerage commissions, and the Adviser may be unable to achieve the most favorable execution. Having separate transactions with respect to a security could temporarily affect the market price of the security or the execution of the transaction, or both, to the possible detriment of any of the account(s) involved in the trade. We will attempt to honor such directed brokerage requests only when it can do so consistent with the policy of obtaining best execution.

*Suggestion of Brokers*

We will recommend that a client in need of brokerage services utilize Schwab and Fidelity among others, (together to be referred to as "broker(s).") These companies are not affiliated with us. We believe that these brokers will provide the best services at reasonable commission rates and generally will execute all trades for clients who have chosen these brokers through their respective trading desks. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, trade clearance, settlement, and other services. We participate in the Schwab Advisor Network, and Fidelity Wealth Advisor Solutions, and receive some benefits from these firms by its participation.

Beyond a given broker's ability any to provide best execution, we will also consider the value of additional brokerage research, products, and services a broker-dealer has provided or will provide. When client brokerage commissions are used to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for such research, products, or services. Therefore, we are incentivized to recommend a particular broker-dealer based on our interest in receiving research or other products and services. Research, products, and services that we receive from these brokers, can include data, financial publications, information about particular companies and industries, and other products or services that provide lawful and appropriate assistance to us in the performance of our investment decision-making responsibilities. In some cases, the commissions charged by a broker-dealer for a particular transaction or set of transactions are greater than the amount charged by another broker-dealer who did not provide research, services, or products.

Some of the broker-dealers we recommend provide us with access to their institutional trading and operational services, which are typically not available to their retail investors. These services can include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. These broker-dealers can also make available to us other products and services that benefit us, but not directly benefit client accounts. Some of these products and services assist us in managing and administering client accounts. These include software and other technology that provide access to client account data, such as trade confirmations and account statements, facilitate trade execution, and allocation of aggregated trade orders, from multiple client accounts, and assist with back-office support, recordkeeping, and client reporting. Many of these services are generally used to service all or a substantial number of our accounts, including accounts not maintained at the broker-dealer providing the service. The broker-dealers also provide us with other services intended to help us manage and further develop its business enterprise. These services can include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers could make available, arrange and/or pay for these types of services to us by independent third parties at discounted or waived fee rates. Fees can also be discounted or rebated to certain clients by the broker-dealers as an incentive to the client for transferring their accounts. The availability to us of the foregoing products and services is not contingent upon our committing to these broker-dealers any specified amount of business.

This creates a potential conflict of interest for us; however, we believe that these products and services benefit all our clients.

Margin Accounts and Trading on Margin

As a policy, we recommend against clients' use of margin accounts, except in specific limited circumstances:

- Check Writing Exception;
- Bridge Loan Exception;
- Hold Account with Margin Exception - to maintain a margin account on a short-term basis; and
- Case-by-Case Basis - in other exceptional circumstances.

A margin account is established for a client to borrow money from their broker-dealer to buy a stock or other security and using that investment as collateral. Clients generally use margin to increase their purchasing power so that they can own more securities without fully paying for it. Using a margin account, however, exposes clients to additional risks, including the potential for higher losses and the erosion of account performance over time.

### **Item 12B – Aggregation of Client Orders**

It is our policy to execute trades in merged orders when practical. Open orders of the same direction (buy vs. sell) in the same security, placed at the same time with the same trading instructions will generally be merged (aggregated) to take advantage of reduced fees and favorable execution with one or more brokers. When orders are merged, a list of the accounts to be included in the order, along with the quantity for each account is included with the order. Once the order has been executed, shares are allocated to accounts on an average price basis; every account included in the order will receive the same price. If a second batch order for the same security is placed later within the same trading day, the price received for that order is averaged among that second order only, as though the first order did not occur. In other words, we will not average the price received for the first order and the second order, each order is considered separately. If an order is partially filled, the shares bought or sold will be divided among the accounts included in the order on a pro-rated basis. For example, if account A had 15% of the total quantity in the merged order, account A will receive 15% of the quantity bought or sold if the order is not completely filled.

Generally, we place orders for a client's account individually based on the order sizes that we typically place in servicing their account. However, when possible, we group or aggregate orders for multiple accounts into a single order to take advantage of price benefits. When we group orders, as with all orders we place, we utilize the average price method in determining the price that each account included in the order receives. For example, if we place an order for 10,000 shares of a security and receive 5,000 of those shares at \$20, 3,000 shares at \$18 and 2,000 shares at \$17, we will value each share at \$18.80. Any costs involved in placing the order (commissions) will be split based on the percentage of the order each account is allocated. If a client account's share of the order was 10%, they will pay 10% of the commissions on that order. If they have instructed us to use a particular broker or dealer for their account, their orders will generally not be grouped with orders for other accounts and will follow non-directed orders in terms of execution order. Such trades are generally executed after trades for non-directed client accounts.

To ensure fair and equitable treatment of clients, we consider the order in which client-directed trades and Managed Account Program advice are delivered to the market and we have a process that seeks to achieve overall fair and equitable treatment of all participants over time.

Our trading policy is that we normally execute transactions for accounts and strategies that are free to trade using any trading venue first. We will then trade for Managed Account Programs including where we execute transactions on a rotational basis and for those accounts following our proprietary strategies where the clients instructed us to execute their trades through a specific broker on a rotational basis then any accounts managed directly by relationship managers. To the extent a client account's portfolio deviates from an internal proprietary strategy or is managed directly by the client's Relationship Manager, any related trading activity in the client account will not be subject to our trading policy. Accounts not subject to the Advisor's trading policy do not receive notice of a strategy update until after all accounts that follow the strategy have completed trading relating to the strategy update or received notice of the strategy update, as applicable. In limited circumstances, a trade order relating to an account that does not follow an internal strategy may be initiated that is similar to trading being implemented pursuant to an ongoing strategy update. Where appropriate and where circumstances reasonably permit, the trade order for such non-strategy account may be aggregated with an applicable client group in the ongoing trade rotation process.

The trade orders for the purchase or sale of equity securities and Managed Account Programs are communicated on a rotation basis and that no client, or group of clients, is routinely advantaged or disadvantaged over any other. The rotation for Managed Account Programs involves an algorithm to generate random lists of Managed Account Programs including client-directed trades and Managed Account Programs. We will deliver the trade instructions and/or model advice to all Managed Account Programs, which includes wrap-fee or model portfolio service providers, at the point the first broker appears in the random rotation list. An additional randomizer is applied to Managed Account Programs using the same trade management system and among unified managed account programs. The trade instructions and/or model advice are then delivered to each successive broker until all Managed Account Programs received the appropriate instructions. We reserve the right to vary from these policies to comply with additional requirements that are placed on us by Managed Account Programs, including but not limited to timing of trades.

In addition, we may delay our trading process or we may proceed to the next account on the randomizer list prior to completion of the prior account's execution of trading in certain circumstances, including when there are unusually long delays in a broker's execution of a particular trade or in the absence of receiving confirmation from a broker of completion that a trade or model change. The broker is responsible for the further distribution of trade instructions and/or model advice.

While these procedures seek to treat client accounts and client-directed or broker relationships in a fair and equitable manner over time, on any given order, some Managed Account Programs will trade or receive model advice before other client-directed or Managed Account Programs and it will likely receive more favorable pricing than others for the same security. To ensure all clients are treated equitably, we monitor the trade rotation order that is generated to make sure that the randomizer is truly creating a unique daily list. However, it is conceivable that an account could go in the same place in or the order (e.g., first or last) in multiple consecutive rotations this is likely to be short term in nature as the algorithm is designed to ensure that no client, or group of clients, is routinely advantaged or disadvantaged over any other on a long-term basis.

In addition, we may delay our trading process or we may proceed to the next account on the randomizer list prior to completion of the prior account's execution of trading in certain circumstances, including when there are unusually long delays in a Managed Account Program sponsor's execution of a particular trade or in the absence of receiving confirmation from a Managed Account Program sponsor that a trade or model change has been completed. The program sponsor or manager is responsible for the further distribution of trade instructions and/or model advice.

While these procedures seek to treat client accounts and client-directed or Managed Account Program relationships in a fair and equitable manner over time, on any given order, some client-directed or Managed Account Programs will trade or receive model advice before other client-directed or Managed Account Programs and some client-directed or Managed Account Program clients will likely receive more favorable pricing than others for the same security. To ensure all clients are treated equitably, we monitor the trade rotation order that is generated to make sure that the randomizer is truly creating a unique daily list. However, it is conceivable that an account could go in the same place in or the order (e.g., first or last) in multiple consecutive rotations this is likely to be short term in nature as the algorithm is designed to ensure that no client, or group of clients, is routinely advantaged or disadvantaged over any other on a long-term basis.

Due to the nature of the trade rotation process and the nature of the services we provide to our various client types, trading for our discretionary accounts may be conducted at the same time as trading is being conducted by model sponsors or accounts where we do not have trading discretion. As a result, our discretionary accounts may obtain more favorable execution prices than non-discretionary or model portfolio accounts or vice-versa.

## **Item 13: Review of Accounts**

### **Item 13A – Periodic Review of Client Accounts**

If we have discretion over client accounts, it will be reviewed on an ongoing basis by the assigned Relationship Manager. In addition, there is a formal, annual review process for each account where we have investment discretion. During the annual review, the Relationship Manager will review the account to determine if it is in line



with the stated investment objective.

### **Item 13B – Other Reviews of Client Accounts**

As stated in Item 13A above, we have a process in place to ensure that every account that we have discretion over is reviewed at least annually. However, the client account is reviewed on an ongoing basis by the primary Relationship Manager, or in his/her absence, a backup Relationship Manager. We monitor client accounts' cash withdrawal needs and income requirements, additions and withdrawals made to client account, changes in tax or financial circumstances and investment objectives and any specific guidelines clients give us. These factors could cause us to review an account and make changes to how it is being managed. For example, if a client adds significant assets to their account, they might wish to change their investment objectives. Risk Management and Internal Audit periodically review accounts as well.

### **Item 13C – Client Account Reporting**

Unless clients participate in one of the coordinated service arrangements described in Item 5C, they will receive account statements from us on at least a quarterly basis unless clients elect not to receive them. If a client is not receiving statements from us and would like to, they can request that we send statements by contacting their Relationship Manager. The statements can be written or electronic and show the accounts cash position, currently held investments, the market value of their investments, unit cost (per share price), a summary of the transactions that occurred during the period, and a cash reconciliation. Clients can request more frequent or more detailed reports to fit their personal needs. Also, if clients participate in one of our coordinated service arrangements, they can still request that we send statements in addition to the statements received from the program sponsor and/or their financial advisor.

## **Item 14: Client Referrals and Other Compensation**

### **Item 14A – Compensation Received from Third Parties**

We occasionally receive mixed-use products from a third party as part of the soft dollar arrangements we have with them. A mixed-use product is a product or service that serves dual purposes providing both research and administrative uses. The utilization of this type of product for an administrative use represents a conflict of interest. We mitigate this conflict by making a good faith estimate to determine the portion of the product that is administrative and not research and pay for that portion with cash from our own funds. These arrangements are reviewed by the firm's Equity Trade Practices Committee. Additionally, as described in 5C, on occasion we receive referral fees when client funds are invested in certain Private Funds.

### **Item 14B – Compensation to Third Party Service Providers**

We pay third parties for referring clients to us. There are a variety of ways in which we do this, many of which are detailed in Item 5C under the coordinated service arrangements heading. Generally, we will pay the third party a specified percentage of the fees we receive, or we will pay a fixed amount on a monthly or quarterly basis. Under these such arrangements the client does not pay higher fees than those described in Item 5, nor is the cost of compensating the Promoter passed to the client in any way. A referral fee reduces the fee we receive as a portion of the fee clients pay is paid to the referral source.

We acknowledge that these arrangements are governed by Rule 206(4)-1 of the Investment Advisers Act of 1940 and are also subject to other laws and regulations, including state securities regulations. We believe that the arrangements we have in place comply with all laws and regulations.

### **Item 14C – Client Referrals**

We participate in client referral arrangements with other CIBC affiliates. These referrals are governed by a referral agreement that includes the roles and responsibilities of each party. A referral arrangement represents a conflict of interest; however, we mitigate this conflict by providing full disclosure of the referral fee to clients. There is no additional charge to a client if they are referred. The actual referral fee will vary depending on the referrer but is generally a percentage of the annual fee and will be paid for a pre-determined number of years.

## **Item 15: Custody**



We do not take physical custody of client account assets. We require clients to place their assets with a qualified custodian. Their custodian is responsible for providing them with statements at least quarterly, and some custodians provide statements more frequently than quarterly. Clients should carefully review the statements received from their custodian for accuracy. Clients should also compare statements received from their custodian to any statements that they receive from us to ensure that the transactions we intended for their account occurred correctly. Not every client of ours receives statements from us. If clients are not receiving statements from us and would like to, they can request that we send statements by contacting their Relationship Manager. See Item 13C for more information on the statements we provide.

To avoid physically taking custody of client assets, we do not accept client securities, nor do we normally accept checks from a third-party payable to the client (unless they are tax refunds and or proceeds of a securities settlement). From time to time, we may inadvertently receive client assets from third parties. We have in place appropriate policies and procedures which provide for the prompt forwarding of such assets to the client, the client's qualified custodian or the return of to the third party. Any securities that a client wishes to have added to their account or checks that they wish to be deposited must be sent directly to their custodian. If a client is unsure of how to do this, we can assist them, but we cannot forward these securities or checks to the custodian on their behalf. Any securities or checks we receive will be returned to within three business days.

Although it is uncommon, our employees are sometimes appointed as the trustee of a trust for which the firm is performing investment advisory services. Where the employee is not the trustee due to a prior personal relationship with the client, the SEC considers us to have custody of the account. In addition, for a limited number of accounts to which we provide specialized administrative services, including family office services, CIBC NTC can prepare and transmit checks drawn on the client's account. In order to assure all accounts where we could be determined have constructive custody by virtue of the services we perform, we have decided to subject all our advisory accounts, not otherwise independently audited, to the annual surprise examination by an independent public accountant in order to comply with the SEC's rule on the custody of client assets.

## **Item 16: Investment Discretion**

Whether an account is discretionary or non-discretionary, we enter into investment advisory agreements with our clients that outline our responsibilities. Generally, we enter into discretionary investment advisory agreements although we will occasionally enter into a non-discretionary agreement as discussed in Item 5. If clients choose to give us discretion to trade their account, we have the authority to supervise and direct investments for their account, which includes the selection of brokers, without getting consent from them prior to each transaction. When we have discretion over client accounts, we determine what securities are bought and sold, the amount of the purchases and sales, the brokers through which the transactions are executed, and the commission rates, if any, that are paid for the transactions. Clients can put reasonable limitations on our discretion by making written requests to us. For example, a client can prohibit us from buying specific securities and/or specific industries. Clients can also direct us to place all of their trades with a particular broker or brokers by agreeing to and signing a directed brokerage addendum to their investment advisory agreement.

Clients subject to ERISA may also impose restrictions prohibiting us from purchasing securities of an issuer affiliated with the client or transacting with an affiliate or other parties related to the client by providing us with a list identifying such restricted securities by tickers, or other specific identifiers and sectors.

Certain clients who authorize us to execute transactions for their accounts without prior approval may prohibit the purchase of specific securities or industry groups via a restricted list identifying such restricted securities by tickers, or other specific identifiers. We will rely on information provided by clients in discharging our investment management responsibilities and will not be responsible in the event clients either do not provide a list or provide inaccurate or outdated information.

## **Item 17: Voting Client Securities**

### **Item 17A – Voting Policies & Procedures**

We generally vote proxies for accounts governed by the Employee Retirement Income Security Act of 1975 ("ERISA accounts") or accounts that have been established under one of the coordinated service arrangements listed in Item 5A above or if clients request that we vote proxies for them. Whether or not we will vote proxies for client accounts is determined by the contracts we sign with them when their account is opened. If we have voting responsibility for a client's account, we have policies and procedures in place which we follow when doing so.

We use a third-party research and proxy voting service that gives guidance on how to vote in our clients' best interest. Through this service we vote proxies for client accounts subject to our voting policies, which are updated each year. Currently, our service provider is Institutional Shareholder Services, Inc. ("ISS").

We will vote proxies on clients' behalf if they elected that we do so. If clients elect to have us vote proxies on their behalf, we will vote according to the ISS US Proxy Voting Guidelines which, is currently the sole guidelines available to our clients.

Records of the votes made are kept for no less than five years. If clients decide they would like to have their proxy vote or votes cast differently from how we would typically vote based on our proxy policies, they can request in writing that we place their vote or votes manually for a specific security or securities. In these cases, we will attempt to vote according to their instructions. However, due to the time sensitive nature of proxy voting and the fact that proxy delivery instructions typically need to be in place weeks before the actual vote, we might not be able to remove their account from ISS's electronic voting systems in time to place their votes on a pending proposal.

In certain instances, we may determine that refraining from voting a proxy is in the client's best interest, such as when the cost to the client of voting outweighs the expected benefit to the client. For example, the practicalities and costs involved with international investing may make it impossible at times, and at other times disadvantageous, to vote proxies in every instance. Regarding the voting of proxies in foreign markets, our ability to vote is contingent upon the establishment of the necessary local documentation, including for example, power of attorney forms.

We address potential conflicts of interest that can arise when voting proxies for their account by having predetermined voting policies in place. Should a conflict of interest arise, we will resolve the conflict using one of the following: (1) voting pursuant to client direction; (2) voting according to the recommendation of the proxy voting service; (3) Abstaining from voting; or in such other manner consistent with our duty of loyalty and care, depending upon the facts and circumstances of each situation and the requirements of applicable law.

If clients would like a copy of our proxy voting policies and procedures or would like to know how their proxies were voted, they can obtain that information by sending a request letter to their Relationship Manager or to the following address:

CIBC Private Wealth Advisors, Inc.  
Attn: Proxy Administrator 100 Federal Street, 37th Floor  
Boston, MA 02110

### **Item 17B – Proxy Voting Authority**

If clients do not give us authority to vote proxies for their account, proxy ballots will be sent to them directly from their account's custodian. If clients have questions about a particular proposal, they can speak to their Relationship Manager.

## **Item 18: Financial Information**

### **Item 18A – Balance Sheet**

Investment advisers that require prepayment of fees more than six (6) months in advance are required to provide a copy of their balance sheet. We do not require fees to be prepaid six (6) months in advance and therefore this item is not applicable to our business.

### **Item 18B – Financial Condition**

We are not aware of any financial conditions that are likely to impair our ability to meet any of our contractual commitments to clients.

### **Item 18C – Bankruptcies**

We have not been subject to any bankruptcy petitions within the last ten (10) years.

### **Item 19: Requirements for State-Registered Advisers**

We are not registered with any state securities authorities and therefore the requirements of Item 19 do not apply to our business.