

Firm Brochure

(Part 2A of Form ADV)

Greystone Managed Investments Inc.

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This brochure provides information about the qualifications and business practices of Greystone Managed Investments Inc. ("Greystone"). If you have any questions about the contents of this brochure, please contact us at: 1-800-213-4286, or by email at: inquiries@greystone.ca. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Greystone is a registered investment adviser. Recipients of this Brochure should be aware that registration of an investment adviser does not imply any level of skill or training.

Additional information about Greystone is available on the SEC's website at www.adviserinfo.sec.gov.

November 14, 2018

Item 2 – Material Changes

This brochure dated November 14, 2018 is an interim update to the Brochure dated March 28, 2018. Below is a summary of changes, deemed to be material, that were made to the Brochure from March 28, 2018 to November 14, 2018:

- The disclosure in Item 4 (“Advisory Business”) has been updated to reflect that Greystone Managed Investments Inc. is an indirect, wholly-owned subsidiary of the Toronto-Dominion Bank.

IMPORTANT NOTE ABOUT THIS BROCHURE

This Brochure is not:

- ***an offer or agreement to provide advisory services to any person***
- ***an offer to sell interests (or a solicitation of an offer to purchase interests) in any private investment vehicle advised or sponsored by Greystone (each a “Greystone Fund”)***
- ***a complete discussion of the features, risks or conflicts associated with any advisory relationship or Greystone Fund***

As required by the US Investment Advisers Act of 1940, as amended (“Advisers Act”), Greystone provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors in a Greystone Fund, together with other relevant governing documents, such as the Greystone Fund’s offering or private placement memorandum, prior to, or in connection with, such persons’ investment in the Greystone Fund. Additionally, this Brochure is available through the SEC’s Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Greystone, persons who receive this Brochure (whether or not from Greystone) should be aware that it is designed solely to provide information about Greystone as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each Greystone Fund is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by the firm or by another authorized party such as a placement agent.

Moreover, Greystone’s activities with respect to non-U.S. Clients may differ from those described generally herein and Greystone may provide additional or different services to non-U.S. Clients. Greystone does not generally hold itself out to non-U.S. Clients as an SEC-registered adviser nor does it provide this Brochure to non-U.S. Clients. Since Greystone does not maintain a place of business within the U.S., it may rely on SEC Staff guidance to apply local governing law, rather than the substantive provisions of the Advisers Act, to its relationships with such non-U.S. Clients to the extent that activities with respect to those relationships do not constitute “conduct” or have “effects” within the U.S.

Greystone manages several Canadian investment vehicles (the “Canadian Funds”) which are not available to residents of the United States and the availability of certain privately placed pooled investment vehicles, which may be organized as domestic (U.S.) limited partnerships, limited liability companies, trusts, or as a foreign entity (the “Private Funds”) and certain other accounts may be limited. Investors and other recipients should be aware that while this Brochure may include information about Greystone’s activities with respect to such investment vehicles or services provided outside of the U.S., as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with any investment product offered or advised by Greystone. Rather, all discussion of the Canadian Funds and such accounts contained herein is intended solely to provide recipients a complete understanding of Greystone’s business, including potential conflicts of interest. It is not intended as an offer, or solicitation of an offer, with respect to any investment nor should it be relied upon in determining to invest. It is also not an offer of, or an agreement to provide advisory services directly to, any recipient who is not already a Client.

In no event should this Brochure be relied upon in determining whether to invest in a Greystone Fund or to engage Greystone as an investment adviser. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

Item 3 - Table of Contents

	Page
Item 1 – Cover Page	1
Item 2 – Material Changes	2
Item 3 - Table of Contents	4
Item 4 – Advisory Business	5
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	7
Item 7 – Types of Clients.....	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9 – Disciplinary Information	12
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12 – Brokerage Practices	17
Item 13 – Review of Accounts.....	21
Item 14 – Client Referrals and Other Compensation.....	22
Item 15 – Custody	23
Item 16 – Investment Discretion	24
Item 17 – Voting Client Securities.....	25
Item 18 – Financial Information.....	26

Item 4 – Advisory Business

Greystone Managed Investments Inc. (“Greystone”), a company incorporated under the laws of Saskatchewan and continued under the laws of Canada, is an investment adviser with its principal place of business in Regina, Saskatchewan. It is a wholly-owned subsidiary of Greystone Capital Management Inc. (“GCMI”) which was formed in 1988. GCMI is a wholly-owned subsidiary of The Toronto-Dominion Bank. GCMI is registered in Saskatchewan as an adviser in the category of portfolio manager. GCMI is majority-owned by Greystone employees. Three institutional clients of Greystone are also shareholders of GCMI.

Greystone is registered as an adviser in the category of portfolio manager in each of the provinces of Canada and in the Northwest Territories; as a dealer in the category of exempt market dealer in each of the provinces of Canada; and as an investment fund manager in Saskatchewan, Ontario, Quebec, Newfoundland and Labrador.

Greystone provides portfolio management services and advice on a discretionary basis to its clients, which consist of private funds that are pooled investment vehicles (the “Clients” or the “Greystone Funds”) intended for sophisticated and institutional investors, and acts as an exempt market dealer in the distribution of its pooled investment vehicles. Greystone is also a sub-advisor to a U.S. registered investment company. In addition, Greystone manages several Canadian investment vehicles (the “Canadian Funds”) which are not available to residents of the United States.

Greystone offers a broad range of investment strategies, including investments in Canadian equities, U.S. equities, international equities, global equities, fixed income (including money market), real estate, mortgages, and infrastructure. Currently Greystone offers international and global equity strategies for US investors (the “US Investor Strategies”) but anticipates offering additional strategies in the future.

Greystone provides advice to the Greystone Funds based on the specific investment objectives and strategies described in the investment policy for each Greystone Fund and the investment agreement between Greystone and each investor. Greystone does not tailor its advisory services to the needs of the individual Greystone Fund investors and does not accept Greystone Fund investor-imposed investment restrictions on any Greystone Fund.

Each prospective investor must consider for itself whether any particular Greystone Fund meets the investor’s objectives and risk tolerance before investing.

Assets Under Management

As of March 15, 2018, Greystone had approximately U.S. \$28,192,800,000 of Client assets under management, all of which are managed on a discretionary basis. The numbers above have been rounded to the nearest U.S. \$100,000.

Item 5 – Fees and Compensation

Greystone receives a management fee from Greystone Fund investors, which is detailed in each investor's investment agreement in lieu of Greystone Fund level management fees. The management fee is non-negotiable and is based on an investor's total investment amount with respect to a particular Greystone Fund. In addition, fee structures may vary among and within the investment strategies Greystone offers.

In the case of private funds, which may be organized in the future and will be marketed primarily to U.S. investors, it is anticipated that management fees will be charged at the fund level. The rate at which such fees are charged and the manner in which the fees are determined will be described in the offering documents prepared for such funds.

As a general matter, fees are payable monthly or quarterly in arrears as of the last day of each calendar month or quarter based on the period market value or the average value for the relevant period and are deducted directly from the investor's capital account or paid independently.

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions, and other costs and expenses related to the purchase, sale or transmittal of assets (including trade tickets); (ii) interest expense; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) valuation expenses; (vii) legal, fund administration and audit/accounting expenses (including third party accounting services or other third party administrative services); (viii) recordkeeping expenses; (ix) distribution expenses and (x) other portfolio expenses.

For an additional discussion regarding brokerage fees, commissions and other related transactions costs and expenses, please refer to Item 12 – *Brokerage Practices*.

Item 6 – Performance-Based Fees and Side-By-Side Management

Greystone and its investment personnel may provide investment management services to multiple portfolios for multiple Clients. Because investors pay different fees depending on (i) what Greystone Fund(s) they invest in and (ii) the amount invested in a Greystone Fund, it is expected that different investors will pay different fees, including as to rate, timing and calculation methods. The differential compensatory interests may create conflicts for Greystone. Greystone recognizes this and has instituted policies and procedures that it believes are reasonably designed to mitigate such conflicts of interest.

When Greystone and its investment personnel manage more than one Client account, a potential exists for one Client account to be favored over another Client account. Greystone generally purchases or sells for its Clients through several portfolios. Greystone has adopted and implemented policies and procedures intended to address conflicts of interest relating to the possible management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. Greystone reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. These areas are monitored by Greystone's Compliance Department. Please refer to Item 12 in this brochure for further details on this topic.

Parallel funds will be offered to U.S. clients to maximize tax efficiency. Investments will generally be allocated pro rata between the U.S. fund and the Canadian fund and any other Client accounts with similar strategies. It is expected that the fee schedules will be similar with respect to the U.S. funds.

Item 7 – Types of Clients

Greystone's Clients are expected to consist of pooled investment vehicles intended for sophisticated and institutional investors, pension funds, government organizations, charitable organizations, foundations and trusts, health care organizations, universities, insurance companies, employee and professional associations, non-profit organizations and does include a U.S. registered investment company in a sub-advisory capacity.

Greystone's minimum account size is approximately \$5 million, subject to a waiver of such minimum, in Greystone's full discretion. Investors may be required to meet certain suitability and net worth qualifications such as being : (i) "accredited investors", as defined in Rule 501 under Regulation D promulgated under the Securities Act of 1933; and (ii) "qualified purchasers" or "knowledgeable employees", as defined in the Investment Company Act of 1940 and the rules promulgated thereunder.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Greystone's investment objective is to generate superior long term capital appreciation. Investment performance is evaluated over a full market cycle. Greystone offers a broad range of investment strategies, including investments in Canadian equity, U.S. equity, international equity, global equity, fixed income (including money market), real estate, mortgages, and infrastructure. Currently Greystone only offers the US Investor Strategies to US investors but anticipates offering additional strategies to US Investors in the future, which may include additional or different risks. With respect to the US Investor Strategies, Greystone's approach is to invest in a diversified portfolio of common stocks and other related securities, including but not limited to depositary receipts, equity-linked notes and exchange traded funds, preferred stock, convertible securities and warrants, derivative instruments, securities issued in initial public offerings, and cash and cash equivalents. To meet each Greystone Fund's objective the portfolio management process seeks to focus on companies that can sustain superior earnings growth. Emphasis will also be placed on earnings quality and financial strength. Modeling analytics of stock, sector and country contribution are utilized to optimize overall risk exposures relative to benchmark.

Investing in securities and other financial instruments involves risk of loss to Clients and Clients should be prepared to bear the loss of their entire investment. Those risks vary depending on the nature and attributes of the relevant investment approach and the specific securities and other instruments held.

General Risks

- Market Risk – All securities investments are subject to changes in the market place. The market value of the instruments in which a portfolio invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.
- Investment Selection Risk – Greystone utilizes a quantitative screening process to filter the universe for companies with specific attributes. Following the screening, a qualitative analysis is undertaken of each company with a significant ranking within those desired attributes. The risk exists that the attributes utilized in the quantitative screening process do not reflect attributes desired by the marketplace. In addition, analysis of an investment may be incorrect and may result in selections of investments that suffer losses or underperformance relative to other investments.
- Geographic / Political / Economic Risk – Greystone's international and global equity funds invest in diverse countries and economies throughout the globe. Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital.
- Non-U.S. Exchange Risk Exposure - Funds that are denominated in U.S. dollars, but invest in securities denominated, and may receive a portion of their income and gains, in currencies other than the U.S. dollar, may experience a reduction in the value of such other currencies relative to the U.S. dollar prior to conversion into U.S. dollars. This may adversely affect the net asset values of the applicable fund.
- Currency and Exchange Rates Risk – The Greystone Funds may make investments in non-U.S. jurisdictions. There is a risk that the performance of a Greystone Fund could be adversely affected

by fluctuations in the currency exchange rate between the Greystone Fund base currency, on the one hand, and the relevant foreign currencies, on the other hand.

- Liquidity Risk – Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market or a limited market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value. In addition, there is a risk that the Greystone Funds may not be able meet required cash needs by selling securities in an orderly manner and must sell securities at lower prices to raise necessary cash.
- Counterparty Risk - Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.
- Cyber Security Risk - With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.
- Issuer Risk - A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline or become worthless.
- Non-Diversification Risk – The Greystone Funds may not be subject to any comprehensive diversification or asset allocation requirements or be limited to a particular investment strategy. To the extent a Greystone Fund concentrates investments in a particular geographic region, security, investment sector or stage of investment, investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, sector or stage of investment. In addition, a Greystone Fund may participate in a limited number of investments in which case the investment returns of the Greystone Fund could be substantially adversely affected by the unfavorable performance of a single investment. It is assumed that investors hold assets apart from the Greystone Funds and are responsible for diversifying their assets appropriately.
- Operational Risk - A Greystone Fund may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.
- Portfolio Turnover Risk - Active and frequent trading of securities and financial instruments may result in increased transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. In addition, frequent trading is likely to result in short-term

capital gains tax treatment. As a result of portfolio turnover, the performance of a Greystone Fund may be adversely affected.

- Volatility Risk - The prices of a Greystone Fund's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

Risks Associated with Types of Securities that are Primarily Recommended

- Equity Securities Risk - Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industries and geographies in which the issuer operates or is exposed. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and may do so again in the future.
- Commodity Risk – Trading commodities and commodity interests (e.g., futures contracts on commodities, securities indices or currencies) is highly speculative and may entail risks that are greater than the risks associated with investing in equity securities. Prices of commodity interests are generally more volatile than prices of equity securities. Futures trading will have effects on the Greystone Funds' portfolio similar to the effects of leverage. The Greystone Funds may participate in market price fluctuations of securities or commodity interests underlying futures (or options on futures), while investing only a small percentage of the value of the fund in those underlying securities or commodity interests. The Greystone Funds may open a futures position by placing with a futures commission merchant an initial margin that is small relative to the value of the futures contract, making the transaction "leveraged". If the market moves against the Greystone Funds' position or margin levels are increased, the Greystone Funds may be called upon to pay substantial additional funds on short notice to maintain its position. If the Greystone Funds were to fail to make such payments, its position could be liquidated at a loss, and the Greystone Funds would be liable for any resulting deficit in its account.
- Hedging Risk - Greystone may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates. While such transactions may reduce certain risks, hedging transactions themselves entail other risks. Thus, while Clients may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for Clients that enter into hedging transactions.

Item 9 – Disciplinary Information

Not applicable.

Item 10 – Other Financial Industry Activities and Affiliations

Related Registrant

Greystone is a wholly owned subsidiary of GCMI. GCMI is a registrant under the *Securities Act*, 1988, Saskatchewan, as an adviser in the category of portfolio manager.

GMI Servicing Inc. (“GMI Servicing”), a wholly owned subsidiary of Greystone, provides mortgage administration services to Greystone’s Mortgage pooled fund. GMI Servicing does not provide services to any third parties or any Client of Greystone. Loan servicing involves, among other things, collecting interest, principal and escrow payments from a borrower on behalf of the lender(s) (and/or the participant(s)/assignee(s) of a loan). GMI Servicing is a licensed mortgage administrator in Ontario and is either similarly licensed or exempt from applicable licensing requirements in other provinces and territories of Canada.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Greystone has adopted a Standards of Professional Conduct and Conflicts of Interest Policy (the “Code”) that is consistent with the requirements of Rule 204A-1 under the Advisers Act, and applicable provincial requirements that applies Greystone and its personnel. The Code is designed to prevent violations of the fiduciary responsibilities owed by Greystone to its Clients. The Code is required to be followed by all employees in the conduct of their duties and personal affairs to assure that Greystone’s Clients’ interests are paramount. Employees are required to acknowledge their understanding of, acceptance of, and compliance with the Code.

The Code is reasonably designed to address and prevent (or reasonably mitigate) conflicts of interest between Greystone, its personnel and Clients. The Code also includes provisions with respect to such matters as personal securities transactions and prevention of insider trading and other fraudulent acts. In addition, the Code also contains guidelines and reflects expectations regarding business entertainment, gifts and the standard of conduct required of employees.

Compliance with the Code is a condition of employment for all of Greystone’s employees, and a violation of the Code or its related policies may result in serious reprimand, up to and including dismissal. Certain key provisions of the Code are summarized below. A copy of the Code will be provided to Clients or prospective clients upon request.

Related and Connected Issuers

Related issuers: An issuer of securities is “related” to Greystone if, through ownership, or direction and control over voting securities, Greystone exercises a controlling influence over that issuer or that issuer exercises a controlling influence over Greystone or the same third party exercises a controlling influence over both us and the issuer.

Connected issuers: An issuer is “connected” to Greystone if, due to indebtedness or other relationships, a reasonable prospective purchaser might question if that issuer and Greystone are independent from each other.

In carrying on business as an investment adviser, Greystone may, with respect to securities of related issuers, and in the course of a distribution of securities of connected issuers:

- (a) exercise discretionary authority to buy or sell these securities for Client accounts;
- (b) make recommendations regarding these securities to its Clients; and/or
- (c) sell units of pooled funds, or other similar collective investment vehicles, established, managed and distributed by Greystone or by its affiliates, to Clients.

Greystone will carry out these services in the ordinary course of our business in accordance with its usual practices and procedures and with all applicable disclosure and other regulatory requirements.

Related issuers - Greystone Funds

Greystone provides advice with respect to the Greystone Funds. Greystone offers the sale of units of the Greystone Funds on a continuous basis.

GMI Servicing, the mortgage administrator for Greystone’s Mortgage pooled fund, provides mortgage administration services for the various commercial mortgages in which the fund invests.

Connected issuers

Greystone (and/or its directors, officers and other employees) may, from time to time, advise our clients with respect to the purchase or sale of, or provide advice about, securities issued by related and/or connected issuers to Greystone. Greystone will only engage in such activities if it is confident that they

are in the best interests of its clients and are in compliance with all requirements imposed by applicable securities law and, where applicable, the particular client's investment policy. Two independent directors of GCMI are a director of one of the portfolio holdings currently held in our fixed income portfolio, and a third independent director is a director of another portfolio holding.

An independent director of GCMI is registered with another registrant. The company is registered in the same categories as Greystone – Portfolio Manager, Exempt Market Dealer and Investment Fund Manager. The company does not solicit or deal with clients of Greystone nor do they directly compete with Greystone.

Investment in securities issued by clients

Greystone manages pension funds and other investment assets for major corporate entities in Canada. Greystone may invest in securities issued by its clients. These securities are evaluated solely on their investment merits. Where potential conflicts of interest arise with respect to a specific proxy, Greystone places the interests of Clients first. Greystone may refer any such potential conflicts to the Greystone Pooled Funds Advisory Committee (the "Pooled Funds Advisory Committee"), a committee established by Greystone consisting of three independent members, with the primary purpose of reviewing conflict of interest matters affecting the Greystone pooled funds and providing recommendations to Greystone.

Services to related parties

Greystone provides a defined contribution pension plan to its employees, which it manages along with other client portfolios and the Greystone Funds.

Outside Business Activities

Greystone's first obligation is to fulfill its fiduciary duty to its Clients. In so doing, employees must not engage in activities, within or outside of the scope of their employment with Greystone, that conflict or can be perceived as conflicting with this duty. The Outside Activities / Conflict of Interests Policy is intended to identify activities that have the potential to conflict with an employee's role at Greystone and/or Greystone's activities.

No employee may undertake any outside employment or engage in any personal business interest without the explicit prior written consent of Greystone's Chief Executive Officer or, in the case of the Chief Executive Officer, Greystone's lead Director of the Board of Directors. Outside activities are assessed for any conflicts and approved by the Chief Compliance Officer.

When making an investment decision or taking an investment action, or having knowledge of the same, all Greystone employees shall disclose to senior management any conflict of interest relating to him/her and any material beneficial interest that could reasonably be expected to impair his/her ability to render unbiased and objective advice.

Under no circumstances shall an employee trade in securities on his/her own account with any Greystone Client.

Personal Trading

The employees of Greystone may buy and sell securities or other investments for their own accounts, or accounts of their family members. As these situations may involve potential conflicts of interest, Greystone has adopted policies and procedures relating to personal securities transactions, insider trading (discussed below) and other ethical considerations. These policies and procedures are intended to identify and prevent actual conflicts of interest with Clients and to resolve such conflicts appropriately if they do occur. The Personal Trading Policy which is included in the Code contains provisions regarding employee personal trading and, reporting requirements that are designed to address potential conflicts of interest. The key provisions of this policy with respect to personal trading are summarized as follows:

- Prohibition on trading within a seven calendar-day blackout period before and after the date on which a transaction in the same security is effected for a Greystone Client.
- Pre-clearance of all trading by the employee or family members or trading in accounts controlled by the employee, through the Chief Compliance Officer (or designate).
- Prohibition on investing in initial public offerings.
- Prohibition on short selling.
- Prohibition on trading securities on margin.
- Prohibition on trading securities on a “Restricted List” of securities being traded or under consideration for trading by Greystone.
- Restrictions on investing in private placements.
- Minimum 30-day holding period.
- Full disclosure of all securities trades and securities holdings.
- Annual disclosure of financial position to the President of all assets and liabilities, including spousal assets, and trading accounts with brokers and the activity therein on a regular and timely basis. Employees are required to direct their brokers to provide personal account information directly to Greystone’s Chief Compliance Officer.

Investments by Employees in Greystone Funds

Greystone employees, including persons who serve on Greystone’s Asset Class Teams or act as portfolio managers to various Clients, may invest in certain Greystone Funds. Accordingly, Greystone and its respective affiliates and personnel, including persons involved in the management of one or more funds, may have differing pecuniary interests with respect to different funds. This may create an incentive for Greystone to allocate or recommend limited investments which Greystone believes will be profitable to those funds in which Greystone employees are allowed to invest. Greystone has instituted policies and procedures that it believes are reasonably designed to mitigate such conflicts of interest.

Insider Trading

Greystone, in the course of its investment management and other activities may come into possession of confidential or material non-public information about issuers, including issuers in which Greystone or its related persons have invested or seek to invest on behalf of Clients. Greystone maintains and enforces written policies and procedures that prohibit a Greystone employee, officer or director from trading in a security, either personally or on behalf of any Clients, while in possession of material, non-public information regarding that security, nor may any employee, officer or director communicate material, non-public information to others in violation of the law. This applies to employees, officers and directors in their activities within and outside their duties. This also applies to indirect trading by family, friends and others with a relationship with an employee, officer or director.

Greystone maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that Greystone is meeting its obligations to Clients and remains in compliance with applicable law. In certain circumstances, Greystone may possess certain confidential or material, non-public information that, if disclosed, might be material to a decision to buy, sell or hold a security, but Greystone will be prohibited from communicating such information to the Client or using such information for the Client’s benefit. In such circumstances, Greystone will have no responsibility or liability to the Client for not disclosing such information to the Client (or the fact that Greystone possesses such information), or not using such information for the Client’s benefit, as a result of following Greystone’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

Item 12 – Brokerage Practices

(1) Use of Client Brokerage Commissions

Greystone considers the selection of broker-dealers to be a key component in seeking “best execution” on securities transactions for Clients’ portfolios under the circumstances. Accordingly, Greystone carefully assesses, on an ongoing basis, the capabilities of broker-dealers it uses (or considers) for client transactions.

The selection of broker-dealers involves consideration of the following factors, among others:

- the broker-dealer’s financial soundness and demonstrated brokerage capabilities;
- the broker-dealer’s responsiveness to Greystone’s trading style and liquidity needs;
- the commission or spread involved; and
- the broker-dealer’s range of services provided (e.g., research, strategy, trading and sales coverage), in addition to brokerage.

Greystone evaluates and ranks its broker-dealer relationships at least annually for each asset class. The evaluation and ranking process is used to develop a commission budget allocated to each broker-dealer firm for the upcoming period. Actual brokerage commissions are reviewed and compared to the budgeted commissions on a monthly basis to ensure that actual semi-annual allocations are on target with the commission budget developed by the ranking model.

Greystone has no affiliated broker-dealers.

Greystone receives research goods and services either directly from a broker-dealer or by a party other than the executing broker-dealer (third-party research). This is known as a “soft dollar” relationship. Greystone will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934. The research and brokerage goods and services that Greystone is provided in exchange for brokerage commissions include information on the economy, industries, individual companies, credit analysis, risk measurement analysis, performance analysis, analysis of corporate responsibility issues, data analysis, software applications and data feeds. These services provide both domestic and international perspectives. Research services are received primarily in the form of written reports, computer generated services, attendance at industry conferences, and telephone contacts and personal meetings arranged with corporate and industry spokespersons and economists.

The users of the goods and services described above include Greystone’s portfolio managers, analysts and/or traders. These goods and services are used in the selection and ongoing monitoring of the portfolios

In certain instances, Greystone may receive goods and services containing some elements that qualify as research goods and services and/or brokerage goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use. The types of mixed-use goods and services that Greystone may receive include software applications and data analysis. If Greystone receives mixed-use goods and services, it will only use brokerage commissions to pay for the portion that would qualify as permitted goods and services that are used in its investment or trading decisions or in effecting securities transactions, each on behalf of the portfolios.

Greystone will make a good faith determination that the brokerage commissions paid are reasonable in relation to the combined value of the brokerage and research services provided by the broker-dealers.

The use of Client commissions (or markups or markdowns) to obtain research and brokerage goods and services raises conflicts of interest. For example, Greystone will not have to pay for the goods and services itself. This creates an incentive for Greystone to select or recommend a broker-dealer based on its interest in receiving those goods and services.

Greystone's Independent (non-broker) Commissionable Services Sub-Committee is a sub-committee of our Trade Oversight Committee that oversees the trading function including commissionable services trades (formerly soft dollar trades). This Sub-Committee reviews and, when appropriate, approves eligible goods and services and recommends for approval the annual budget for independent (non-broker) commissionable services.

Commissionable services budget is approved annually by Greystone's Managing Directors. The Audit & Risk Committee of Greystone's Board reviews in detail the products and services to be provided under commissionable arrangements, including the commissions involved.

The Trade Oversight Committee oversees Greystone's trading function. Trading policies and procedures, as well as broker-dealer selection and ranking processes, are monitored to ensure that Greystone is meeting its duty to seek "best execution," including adding value to Client portfolios and fairly allocating trades. Trade cost analysis is also reviewed to ensure that Greystone's Clients receive a reasonable benefit considering the use of the research goods and services and brokerage goods and services as compared to the amount of brokerage commissions paid.

Greystone will provide Clients with a Commission Services Report at least annually. This report includes Greystone's disclosure statement, a copy of the current Commissionable Services Policy, a list of each type of good or service, other than brokerage, that has been provided over the period, the use of each Client's commissions by asset class and a trade cost analysis letter.

Greystone will also provide, upon request, the name of any dealer or third party that provided commissionable goods and services to Greystone.

B. Fair allocation of investment opportunities

To promote fairness in the allocation of investment opportunities among its advisory Clients, it is the duty and policy of Greystone to ensure the fair allocation of client trades. Greystone has in place written policies to ensure fair allocation as well as processes to monitor the fair allocation process.

In some cases the purchase or sale of a particular security may be appropriate for more than one Client account. Simultaneously placing a number of separate, competing orders may adversely affect the price of a security. Therefore, where appropriate, Greystone will aggregate orders for such Clients into one or more block purchases or sales and allocate the results of such orders among participating Clients in accordance with policies and procedures reasonably designed to assure that Clients are treated fairly and equitably over time. Additionally, any new issues of securities and block trades of securities will be purchased for, or allocated amongst, all applicable accounts of Clients in a manner Greystone considers to be fair and equitable.

In the course of managing a number of discretionary accounts, there may arise occasions when the quantity of a security available at the same price is insufficient to satisfy the requirements of every Client, or the quantity of a security to be sold is too large to be completed at the same price. Similarly, new issues of a security may be insufficient to satisfy the total requirements of all Clients. Under such conditions, as a general policy, and to the extent that no Client will receive preferential treatment, Greystone will ensure:

- where orders are entered simultaneously for execution at the same price, or where a block trade is entered and partially filled, fills are allocated equitably among Client accounts;

- shareholders of GCMI do not receive preferential treatment when allocating securities purchased by Greystone on behalf of its Clients;
- where a block trade is filled at varying prices for a group of Clients, fills are allocated on an average price (and costs) basis;
- in the case of hot issues and IPOs, participation is split equally among Clients on a *pro rata* basis;
- in the case of a new securities issue, where the allotment received is insufficient to meet the full requirements of all accounts on whose behalf orders have been placed, allocation is made on a *pro rata* basis. However, if such pro-rating should result in an inappropriately small position for a Client, the allotment would be reallocated to another account. Depending on the number of new issues, over a period of time, every effort will be made to ensure that these pro-rating and reallocation policies result in fair and equitable treatment of all Clients; and
- trading commissions for block trades are allocated on a *pro rata* basis, in accordance with the foregoing trade allocation policies.

In some circumstances, Greystone retains related or third-party sub-advisers from time to time to manage, on a fully-discretionary basis, certain client assets designated by us (“Sub-Advised Assets”). In these circumstances, the fair allocation process set out herein shall not apply with respect to the Sub-Advised Assets. Instead, the sub-adviser’s policies and procedures regarding fair allocation shall apply to the Sub-Advised Assets, subject to our prior review and approval of such policies and procedures.

Cross Trades

In certain circumstances, Greystone may deem that it is in the best interests of its Clients to purchase or sell securities between Client accounts or between Client accounts and pooled fund accounts. Cross trading enables Greystone to effect a trade between two Clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. Greystone has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Greystone may (but is not required to) effect purchases and sales between Clients if it believes such transactions are appropriate based on each party's investment objectives and guidelines, subject to applicable law and regulation. In order to effect cross trades, the following conditions must be met: the Pooled Funds Advisory Committee will review cross trading conducted by Greystone; with the exception of real estate cross trades, all cross trades are required to be executed through a third party and carried out in the open market with brokers; the cross trades must be reviewed and approved by Greystone’s Chief Compliance Officer prior to the trade; and the proposed cross trade must represent the best interests of each of the Clients. The Pooled Funds Advisory Committee is comprised of three independent members. Its primary purpose is to review conflict of interest matters relating to the Greystone Funds and to provide recommendations to Greystone with respect to such matters.

Principal Transactions

Principal transactions are transactions conducted by an investment adviser with a client when the adviser or its affiliate is acting as principal for its own account and knowingly buys securities from, or sells securities to, a client. Principal transactions may pose the potential for conflicts of interest between an adviser and its client.

To the extent that a Client is deemed to be controlled by Greystone and its related persons (generally, if more than 25% of the Client’s assets are attributable to proprietary and personal investments by Greystone and its related persons), any transaction between the Client and another account advised by

Greystone will be treated as a “principal transaction.” In such circumstances, Greystone will obtain consent to such transaction from the client following written disclosure prior to settlement of such transaction, in accordance with applicable law.

Item 13 – Review of Accounts

The Chief Compliance Officer reports non-compliance issues to the Compliance Review Committee of the Board at least annually or more frequently as needed.

Greystone uses the Charles River Investment Management System for portfolio management, trade execution, and pre-trade and post-trade compliance. Clients' accounts are continually monitored by Greystone's compliance and portfolio management teams on a daily basis for exceptions to determine whether securities positions should be maintained in view of current market conditions. The portfolio management team also reviews adherence to investment guidelines and the performance of each Client account. Significant market events affecting the prices of one or more securities in Client accounts may trigger an intra-daily review of Client accounts. Violations of a Client's investment guidelines are reported to the Relationship Manager responsible for the account. Corrective action is taken, as necessary.

On a quarterly basis, performance is reported to all Clients. On a monthly basis, performance is reported to select Clients. Other reports may be provided to certain Clients upon request.

Item 14 – Client Referrals and Other Compensation

Greystone receives certain research or other goods or services from broker-dealers through “soft-dollar” arrangements. These “soft-dollar” arrangements create an incentive for Greystone to select or recommend broker-dealers based on Greystone’s interest in receiving the research or other goods or services and may result in the selection of a broker-dealer on the basis of considerations that are not limited to the lowest commission rates and may result in higher transaction costs than would otherwise be obtainable by Greystone on behalf of its Clients. Please see Item 12 for further information on Greystone’s “soft-dollar” practices, including Greystone’s procedures for addressing conflicts of interest that arise from such practices.

Item 15 – Custody

Greystone does not maintain custody of Client assets. Client assets are held by independent third party custodians. Custodians provide periodic account statements directly to Clients that report the amount of funds and each security in the account at the reporting date as well as any transactions that occurred throughout the reporting period. Clients should carefully review any statements or other reports that they receive from a custodian and compare them to the Client reports provided by Greystone.

With respect to any Private Funds for which Greystone is deemed to have custody, Greystone expects to comply with Rule 206(4)-2 under the Advisers Act by providing investors in the Private Fund with audited financial statements prepared in accordance with generally accepted accounting principles within 120 days following the Private Fund's fiscal year end. Investors should review these audited financial statements carefully. If you have invested in such a Private Fund and not received audited financial statements timely, please contact us immediately.

Item 16 – Investment Discretion

Greystone provides investment advisory services on a discretionary basis to Greystone Funds. Discretion is granted in the governing document signed by each Greystone Fund. Pursuant to this discretionary authority, Greystone seeks to obtain best execution and determines which securities are bought and sold for the account, the total amount of purchases and sales, the brokers or dealers through which transactions are executed and the commission rates paid to effect the transactions, as applicable. The Greystone Fund may restrict or prohibit transactions in certain types of securities.

Because of the differences in each Greystone Fund's investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among Greystone Funds in invested positions and securities held.

Item 17 – Voting Client Securities

Greystone has engaged Institutional Shareholders Services (“ISS”) as its proxy management consultant. ISS assists Greystone in the process of fulfilling its fiduciary responsibilities concerning the voting of Client proxy ballots. ISS analyzes proxy resolutions and makes voting recommendations to Greystone, executes the voting of ballots and, quarterly, collates reports of that voting activity.

Greystone seeks to vote proxies in the best interests of Clients. Two fundamental principles guide Greystone’s proxy voting on behalf of its Clients: to support resolutions that Greystone believes will protect and enhance the economic welfare of shareholders; and to support measures to preserve and strengthen shareholders’ rights. Where potential conflicts of interest arise with respect to a specific proxy, Greystone places the interests of Clients first. Any potential conflicts are referred to the Greystone Pooled Funds Advisory Committee. If a material conflict of interest between Greystone and a client exists, the Pooled Funds Advisory Committee will investigate the conflict and make a recommendation regarding the appropriate action to take to mitigate or resolve the conflict in the Client’s best interest, which may include voting in accordance with pre-determined policies that prescribe a particular response to the relevant proxy item. As discussed in Item 11, the Pooled Funds Advisory Committee is comprised of three independent members and its purpose is, among other things, to review conflict of interest matters affecting the Greystone pooled funds and providing recommendations to Greystone. To the extent Greystone votes a particular proxy in accordance with the Pooled Funds Advisory Committee’s recommendation, any conflict of interest is successfully mitigated.

For information about how Greystone voted proxies related to your investments or to obtain a copy of Greystone’s proxy voting policies and procedures please contact your Institutional Relationship Manager.

Item 18 – Financial Information

Not applicable.