



# **YL CAPITAL LTD.**

## **Relationship Disclosure Information**



## Table of Contents

- Relationship Disclosure Information..... 2
  - 1. About Us..... 3
  - 2. Products and Services Offered..... 3
  - 3. Nature and Type of Accounts ..... 3
  - 4. Custody of Client Assets ..... 4
  - 5. Access to Client Assets ..... 5
  - 6. "Know Your Client" Obligations ..... 5
  - 7. Suitability Determination Obligation ..... 6
  - 8. Risks Associated with Making an Investment..... 7
  - 9. Account Statements and Other Reporting..... 7
  - 10. Performance Benchmarks..... 9
  - 11. Use of Borrowed Funds to Invest (Leverage) ..... 9
  - 12. Account Operating Charges ..... 9
  - 13. Transaction Charges ..... 10
  - 14. Compensation and Other Benefits Received by Us from Others ..... 10
  - 15. Credit or Debit Interest Charges ..... 11
  - 16. Impact of Fees, Charges and Other Expenses on Investment Returns..... 11
  - 17. Pre-Trade Disclosure of Charges..... 11
  - 18. Complaints and Dispute Resolution ..... 11
  - 19. Proxy Voting..... 12
  - 20. Fairness in the Allocation of Investment Opportunities ..... 12
  - 21. Our Trading and Brokerage Practices..... 12
  - 22. Conflicts of Interest ..... 12
  - 23. Collection of Information ..... 13
  - 24. Privacy and Disclosure of Information..... 13
  - 25. Trusted Contact Person (TCP)..... 13
    - 26. Temporary Holds ..... 14
  - 27. Business Continuity ..... 14

## Relationship Disclosure Information

In this Relationship Disclosure Information ("RDI") document, YL Capital Ltd. ("YLC") provides important information regarding the relationship between YLC and you, the client. To clarify, when the terms "we," "us," or "YLC" are used in this document, we mean YL Capital Ltd. When



we refer to "you" or "your," we are referring to you as the holder or joint holder of an account and, if applicable, anyone who is an authorized party on the account.

This document will be provided to you at the time you open your account with us or before we begin providing advice or trading services to you. The RDI is continuously monitored, reviewed, and revised to keep current with regulatory or industry changes. Revisions to this policy are posted on YLC's website. If there is a significant change to the information contained in this document, we will provide you with updated information as soon as possible.

## 1. About Us

YLC is a private company incorporated under the laws of Canada and has its head office at Suite 1500, 701 West Georgia Street, Vancouver, BC. YLC is registered as a Portfolio Manager ("PM"), Investment Fund Manager ("IFM") and Exempt Market Dealer ("EMD") in British Columbia. We may obtain additional registrations from time to time as required to carry out our business. YLC's principal regulator is the British Columbia Securities Commission ("BCSC"). The BCSC falls under the Canadian Securities Administrators, an umbrella organization of Canada's provincial and territorial securities regulators.

## 2. Products and Services Offered

YLC offers discretionary investment management services and exempt market dealer services to its clients and serves as the manager and portfolio manager for its proprietary investment funds (sometimes referred to as "our funds").

As an IFM, YLC acts as the manager of its proprietary investment funds.

As a PM, YLC provides discretionary investment management services for high-net-worth individuals, families and foundations, creating portfolio solutions to meet their financial goals.

In addition, as a PM, YLC provides discretionary investment management services for its proprietary investment funds in accordance with each fund's investment strategy and objectives as outlined in its offering documents.

As an EMD, YLC distributes securities of its proprietary investment funds and third-party investment products to its clients in reliance on exemptions from prospectus requirements under applicable securities laws (for example, to "accredited investors" within the meaning of applicable securities laws). As an EMD, YLC also participates as a dealer and as a member of a selling group, including securities of a related or connected issuer. The products distributed by YLC to its EMD clients are not offered by a prospectus. There may be restrictions on your ability to liquidate securities of these products. Any such restrictions will be set out in the term sheet, offering memorandum or other disclosure document that you receive in connection with your investment.

Accordingly, YLC provides a full range of services for securities of other issuers. Such services shall be carried on by YLC in the ordinary course of its business in accordance with its usual practices and procedures and in accordance with all applicable regulatory requirements.

## 3. Nature and Type of Accounts

As a PM, we offer discretionary investment management services to clients who enter into an investment management agreement with us. We refer to these clients as our "**managed account**



**clients**". Our managed account clients provide us with discretionary authority to manage the assets in their accounts on an ongoing basis.

In addition, as an EMD we offer transaction-based exempt market dealer services to clients that have an investment account with us. We refer to these clients as our "**investor clients**" or our "**EMD clients**". When we provide these services to you, you will have a non-discretionary, transaction-based investment account (an "**investment account**") with us for the purposes of completing a particular transaction. Our investor clients will be responsible for selecting the securities that they wish to invest in, and our role will be limited to the discussions and other interactions we have with you in fulfillment of our transaction-related "know your client" and suitability determination obligations. Although our roles as manager and portfolio manager to our funds are ongoing roles, our relationship with investor clients that invest in our funds is limited to the completion of each particular transaction and does not otherwise involve an ongoing advisory relationship.

For each type of client, we offer the following types of accounts:

- Cash Account
- Registered Retirement Savings Plan (including Locked-In and Spousal)
- Registered Retirement Income Fund (including Locked-In and Spousal)
- Tax-Free Savings Account

*All accounts are available in Canadian and USD currency.*

A wide range of products may be purchased through your account with us, including:

- Bonds
- Common and Preferred shares
- Exchange Traded Funds (ETFs)
- Money market instruments
- Mutual funds, including our funds
- Options

#### 4. Custody of Client Assets

YLC does not hold securities or cash on behalf of clients. Clients must take delivery of securities and/or hold them in the client's name or arrange to have them held in an account with a custodian.

Your assets will be held in Canada in a fully disclosed, segregated account at Interactive Brokers (IBKR) (the "Custodian") or with another custodian that you appoint. The Custodian is independent of YLC. The assets in your custodian account are not co-mingled with other clients' assets.

The Custodian is a member of and regulated by the Canadian Investment Regulatory Organization ('CIRO'). The custodians and broker are also members of the Canadian Investor Protection Fund



(“CIPF”). This fund safeguards your assets from the insolvency or bankruptcy of a CIPF member firm, subject to conditions and limits. You can find more information at <https://www.cipf.ca>.

Your assets are subject to a potential risk of loss: (i) if the custodian becomes bankrupt or insolvent; (ii) if there is breakdown in the custodian's information technology systems; and (iii) due to the fraud, willful or reckless misconduct, negligence, or error of the custodian. YLC has reviewed the Custodian's reputation, financial stability, relevant internal controls, and ability to deliver custodial services and has concluded that its system of controls and supervision is sufficient to manage the risks associated with loss of access to your assets in accordance with prudent business practices.

**Assets of our funds** - IBKR acts as custodian of our funds. As custodian, it is responsible for the safekeeping of the assets of the funds. The assets of each fund will be subject to risk of loss: (i) if the custodian becomes bankrupt or insolvent; (ii) if there is a breakdown in the custodian's information technology systems; or (iii) due to the fraud, willful or reckless misconduct, negligence or error of the custodian or its personnel. We have reviewed the custodian's reputation, financial stability, relevant internal controls and ability to deliver custodial services, and have concluded that the custodian's system of controls and supervision is sufficient to manage risks of loss to client assets in accordance with prudent business practice.

## 5. Access to Client Assets

Although client assets are generally held by a custodian, YLC may have access to client assets in the following circumstances:

- YLC may accept delivery of securities or cash from or to a client on a temporary basis to facilitate a deposit or the settlement of a trade;
- YLC may accept a cheque payable to the firm or other funds from clients; or
- YLC may have authority to transfer cash from a client's account at the custodian to the client's bank account.

In these cases, clients have granted YLC access to client assets to facilitate certain transactions and provide convenience and efficiency for the management of client assets. Granting YLC access to client assets, even in the limited circumstances set out above, exposes the client assets to risk of loss: (i) if there is a breakdown in YLC's information technology systems; or (ii) due to the fraud, willful or reckless misconduct, negligence or error of YLC or its personnel. In addition, YLC is required under applicable securities laws to insure against the additional risk of loss which arises due to its access to client assets.

## 6. "Know Your Client" Obligations

When you open your account(s) with us, we are generally required by securities laws to take reasonable steps to: (1) establish your identity, (2) establish whether you are an insider of any reporting issuer or issuer whose securities are publicly traded, and (3) ensure that we have sufficient information to meet our obligation under securities laws to assess whether a purchase or sale of a security or any other investment action we take or recommend is suitable for you and puts your interests first. Information we are required to collect includes information regarding the following main factors:



- **Your Personal and Financial Circumstances:** This includes your long and short-term financial assets, current and long-term liabilities, and your source of income.
- **Your Investment Knowledge:** This is based on your past experience and your own assessment of your knowledge of certain investment products, including the risk associated with each product type.
- **Your Investment Objectives:** Your financial goals will determine your desire to protect your investment and avoid loss of capital, earn income, or increase capital through market appreciation.
- **Your Risk Profile (i.e., Risk Tolerance and Risk Capacity):** Your personal comfort level associated with the fluctuation in the value of your account(s) and the potential of losing part or all of your investment.
- **Your Investment Time Horizon:** This is based on when you expect to need your financial assets, for things such as buying a house, paying for education, or retirement.

In addition, in certain circumstances, we may also be required to make enquiries as to your reputation.

The "know your client" ("KYC") obligations do not apply to clients that are registered firms, Canadian financial institutions or Schedule III banks, and in certain other circumstances. When required, we will request this information from you at the time you open your account and we will request updated information from you periodically.

Anti-money laundering laws also generally require us to take reasonable steps to determine, among other things, whether you are a "politically exposed person" or a "head of an international organization", and to obtain certain information about "third parties" or "beneficial owners", all within the meaning of those laws.

## 7. Suitability Determination Obligation

Before we open an account for you, purchase or sell a security or take any other investment action for you or make a recommendation or exercise discretion to take any such action, we have an obligation to determine that the action is suitable for you and puts your interests first. In addition, after the occurrence of certain events (including the periodic review of the information collected by us as part of our KYC obligations), we are required to review your account(s) and the securities in your account(s) to determine that these criteria are met and take reasonable steps within a reasonable time after such events. For managed account clients, we comply with these suitability determination obligations on an ongoing basis as part of our services. In contrast, for our EMD clients, our assessment of whether a security is suitable for you and puts your interests first will generally occur only at the time we make or recommend a trade for you and will not occur after the trade except where specifically required or requested by you.

These suitability determination obligations do not apply to us in relation to clients that are registered firms, Canadian financial institutions or Schedule III banks. In addition, these requirements do not apply in relation to (a) a client that is not an individual, if the client qualifies as a "permitted client" under applicable securities laws and has waived the requirements in



writing, or (b) a client that is an individual, if the client qualifies as a "permitted client" under applicable securities laws, has waived the requirements in writing and the client's account is not a managed account (i.e., clients that are individuals may only waive the suitability determination obligation in relation to accounts that are not managed accounts even if they qualify as a "permitted client").

## 8. Risks Associated with Making an Investment

Securities laws require us to disclose the risks that should be considered when making an investment decision. Before making any investment decision, it is important to consider your investment objectives, your level of risk tolerance and the risks associated with the investment you are considering. Generally, there is a strong relationship between the amount of risk associated with a particular investment and its potential to increase in value in the long term. The following is a list of common risks that could affect your portfolio value.

- **Credit Risk.** Credit or default risk can impact the issuer's ability to continue paying interest or dividends. This can also affect the security's market value.
- **Currency Risk.** Securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar.
- **Interest Rate Risk.** Returns in fixed-income investments can be affected by interest rate fluctuations.
- **Liquidity Risk.** Some securities may not be readily saleable and can result in a loss or reduced return if these securities have to be sold quickly.
- **Market Fluctuation Risk.** Price fluctuations can impact the value of your investment and can last for extended periods.

When you purchase securities through an investment account with us, information about the specific risks associated with the securities you purchase will generally be described in the term sheet, offering memorandum or other disclosure document that you receive in relation to those securities.

## 9. Account Statements and Other Reporting

You will receive several statements and reports to monitor your investments.

- **Account Statements:** We will provide statements to you about your account(s) as follows:

*Managed accounts* – quarterly, or monthly if you have requested statements on a monthly basis.

*Investment accounts* – quarterly, or monthly if you have requested statements on a monthly basis or if a transaction (other than an automatic transaction) was effected in your account during the preceding month.

These statements will contain:



(a) information about each transaction conducted for you during the time period covered by the statement; and

(b) information about each security held, and the cash balance, in your account at the end of the time period covered by the statement.

- **Trade Confirmations (investment accounts only):** Where we have acted on your behalf in connection with a purchase or sale of a security as an EMD, we will promptly deliver to you, or if you consent in writing, to a registered adviser acting for you, a written confirmation of the trade. A trade confirmation delivered to you will include certain transaction information such as the quantity and description of the security purchased or sold, the price paid or received by you, the commission, sales charge or any other amount charged, the name of the dealing representative, and the settlement date of the transaction.
- **Annual Reports:** We will provide you an annual report that includes: (i) a report on investment performance; and (ii) a report on charges and other compensation. The annual charges and other compensation report will detail all the charges and fees paid to the Firm by your account.

The investment performance report will detail, among other things, the change in the value of your holdings during the year and since the inception of the account. The first performance report(s) that we provide you in respect of your account(s) may be sent within 24 months after we first make a trade for you. Each investment performance report that we provide to you will contain information about:

(a) the market value of cash and securities in your account at the beginning and end of the period covered by the report;

(b) the changes in the market value of cash and securities in your account over the period covered by the report and since your account was opened; and

(c) the annualized total percentage return for your account over one, three, five and ten years periods and since your account was opened. Total percentage return represents gains and losses of an investment over a specified period of time, including realized and unrealized capital gains and losses plus income, expressed as a percentage.

We will provide a separate investment performance report to you containing this information for each of your accounts with us. However, we can provide a single report to you, consolidating this information for each of your accounts, provided that you give us consent in writing to do this.

If you are a "permitted client" within the meaning of applicable securities laws that is not an individual, we are not required to provide this report but may do so in our discretion.

Where you have appointed a custodian that is an investment dealer that is a dealer member of the Canadian Investment Regulatory Organization ("CIRO"), we may enter into a service arrangement with the custodian under which we rely on the custodian to prepare and deliver the account statements otherwise required to be delivered by us. Where we have this type of arrangement in place, we will not provide any statements to you that have been prepared by us, and instead, we will rely on the account statements prepared and delivered by such custodian in order to satisfy the



requirement to deliver you with account statements for your account with us. We note that each of the custodian and us are responsible for ensuring that the information contained in the account statements prepared by the custodian is complete and accurate.

If you have any questions about the information in the account statements prepared by a custodian, or if you want to receive statements prepared by YLC that are supplemental to the account statements prepared by the custodian, you may contact us by phone at [phone number] or via email at [email address].

## 10. Performance Benchmarks

An investment performance benchmark is a standard against which the performance of your investments is compared. There are many different benchmarks. When choosing a benchmark, select one that best reflects your investments.

For example, the S&P/TSX Composite Index follows the share prices of the largest companies listed on the Toronto Stock Exchange. This index would be a good benchmark for assessing the performance of a Canadian equity fund that invests only in large Canadian companies. It would be a poor benchmark if your investments are diversified in other products, sectors, or geographic areas. Benchmarks are based on a sample portfolio and should be used as a guide only. Speak to your portfolio manager or dealing representative if you have questions about what benchmark would be an appropriate comparison tool.

## 11. Use of Borrowed Funds to Invest (Leverage)

Using borrowed money to finance the purchase of securities involves greater risk than purchasing securities with cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines. Using borrowed money to purchase securities can magnify the gain or loss on the cash invested. The effect of this is called "leveraging".

If you are considering borrowing money to purchase securities, you should be aware that a leveraged purchase involves greater risk than a purchase using available cash resources only. To what extent a leveraged purchase involves undue risk is a decision that needs to be made by you and will vary depending on your personal circumstances. In particular, you should be aware of the terms of any loan that is secured by the securities. The lender may require that the amount outstanding on the loan does not rise above an agreed percentage of the market value of the securities. Should this occur, you may be required to pay down the loan or sell the securities so as to return the loan to the agreed percentage relationship. Money is also required to pay interest on the loan. Under these circumstances, investors who leverage their investments are advised to have adequate financial resources available both to pay interest and also to reduce the loan if borrowing arrangements require such a payment.

## 12. Account Operating Charges

Amounts payable to us with respect to the operation, transfer or termination of your account(s) with us are referred to as "**operating charges**". For example, operating charges could include administration fees, service fees, transfer fees, etc., including taxes paid on those amounts. The operating charges payable to us will be disclosed in the managed account agreement, subscription agreement(s) or other agreement(s) that you complete or enter into (as applicable) and the term



sheet(s), offering memorandum(s) or other disclosure document(s) that you receive (as applicable).

For clients with managed accounts who receive discretionary investment management services from us, you will pay to us the compensation set out in the investment management agreement we enter with you or that we otherwise agree to in writing.

If you invest in securities of our funds, you will indirectly bear the fees and expenses paid by those funds, including the fees payable to us for our services as manager and portfolio advisor. For our services as manager and portfolio advisor of our funds, we typically receive a management fee based on a percentage of the value of the assets under our management and in some cases, may also be entitled to receive an incentive fee or similar compensation based on the performance of the funds. The specific compensation paid to us in relation to the funds that you purchase through your account(s) are described in the term sheet, offering memorandum or other disclosure document that you receive.

You may also be charged other amounts by third parties, such as custodians, who play a role in relation to your account(s). You should obtain information in relation to those costs from those parties directly.

We will not impose any new operating charge in respect of your account(s) with us or increase the amount of any operating charge in respect of your account(s), unless we provide you with written notice of the new or increased operating charge at least 60 days before the date on which the new or increased charge becomes effective.

### 13. Transaction Charges

We do not generally charge clients commissions, short-term trading fees, redemption charges or other amounts in connection with the purchase or sale of securities or other transactions completed through their account(s) with us. These types of charges are referred to as "**transaction charges**". However, we may charge transaction fees for certain funds or other products that you purchase through us. If we decide to impose transaction charges, the charges applicable to securities purchased by you will be disclosed in the subscription agreement or other documentation that you complete or receive prior to completion of the transaction and in the periodic account statements that you receive.

If you invest in securities of our funds, you will indirectly bear the fees and expenses paid by those funds, including the fees payable to us for our services as manager and portfolio advisor. In addition, you may be required to pay an early redemption fee to a fund if you redeem your securities of the fund in certain circumstances. These fees and expenses will be disclosed in the term sheet, offering memorandum or other disclosure document that you receive.

You may also be charged other amounts by third parties, such as your custodian, who play a role in relation to your account(s). You should obtain information relating to such costs from those parties directly.

### 14. Compensation and Other Benefits Received by Us from Others

Except as referenced above, we generally do not expect to receive any compensation or other benefits in connection with a client's purchase or ownership of a security through us from a person



or company other than our clients. If this changes, any such other compensation or benefits received or expected to be received by us will be disclosed in the investment management agreement, subscription agreement(s) or other agreement(s) that you complete or enter into (as applicable) and/or the term sheet(s), offering memorandum(s) or other disclosure document(s) that you receive (as applicable).

### 15. Credit or Debit Interest Charges

There may be times when your payment to the Custodian is deposited in advance of when a purchase is due (called the *Settlement Date*) or where you retain a cash balance generally. In these situations, you may earn credit interest on cash balances, paid by the Custodian. There may also be times when there may be a debit balance in your account, whether from service fees or trading activity, even though we do not provide margin services. The Custodian will charge any account in a debit balance interest on the amount of the debit balance for as long as that debit balance is maintained. Rates of interest are subject to change and the Custodian is not obligated to notify you of rate changes.

### 16. Impact of Fees, Charges and Other Expenses on Investment Returns

The fees, charges and other expenses described above will affect the returns on the investments in your account(s) by reducing the returns in proportion to the fees, charges and expenses. When considering the fees, charges and other expenses applicable to your account(s) and the investments you hold, you should understand that a fee, charge or other expense charged to your account(s) or the investments you hold will compound over time as a deduction to the overall value of your account(s) and/or the investments. Every dollar used to cover fees, charges and other expenses is one less dollar left to invest to compound and grow over time.

### 17. Pre-Trade Disclosure of Charges

Before we accept an instruction from you to purchase or sell a security in one of your accounts, we will disclose to you, either orally or in writing, information about the charges that you may have to pay in connection with the transaction and also whether we will receive trailing commissions in respect of the security. For a purchase of a security on a deferred sales charge basis, we will disclose that a deferred sales charge might be triggered upon the redemption of the security and provide the schedule that would apply if the security is sold within the time period to which a deferred sales charge applies.

### 18. Complaints and Dispute Resolution

Client complaints must be brought to the attention of the firm's Chief Compliance Officer.

Complaints can range from very minor misunderstandings to severe allegations of criminal wrongdoing. As such, all complaints will be treated with the utmost care and concern in order that the complaint is rectified to each party's satisfaction in a fair and timely manner.

If we receive a complaint from you relating to trading or advising activities provided by us or a representative of our firm, we will provide you with a written acknowledgement of the complaint.

For further information regarding these matters, please navigate to our **Complaint Handling Process**.



## 19. Proxy Voting

YLC generally has discretion as to how to vote the securities held in a client's managed account. Fund manager(s) have the responsibility to vote the securities held in their respective funds. However, if a vote is required by holders of a fund or other type of security, they will exercise proxy voting on behalf of their managed accounts. YLC has proxy voting policies and procedures which attempt to ensure that securities are only voted in the best interests of its clients. Should you wish to know how we voted on any proxy vote on a security held in your account, please let us know.

## 20. Fairness in the Allocation of Investment Opportunities

For clients with managed accounts who receive portfolio management services from us and investors in funds for which we act as portfolio advisor - The size and mandate of our funds and clients with separately managed accounts may differ and the portfolios may not be identical. As a consequence, we may purchase or sell a security for the portfolio of one account prior to other accounts. This could occur, for example, as a result of differences in the respective investment objectives, operational constraints and cash resources of the accounts we advise and manage. If the availability of any particular security is limited and that security is appropriate for the investment objective of one or more of the accounts we advise and manage, any purchase of that security will be allocated on an equitable basis in accordance with our policies for ensuring the fair allocation of investment opportunities. A copy of our Fairness in the Allocation of Investment Opportunities Policy is available [describe how available].

## 21. Our Trading and Brokerage Practices

For clients with managed accounts who receive portfolio management services from investors and us in funds for which we act as portfolio advisor, we use third-party dealers to execute trades on behalf of our funds and clients with separately managed accounts, but we also may have many other relationships with those dealers. It is possible that we may be biased in our selection of dealers based on these relationships, or by certain incentives offered by some dealers. This may result in the commissions paid by our clients being somewhat higher than those that might be charged by different dealers. However, we will endeavour to select dealers to execute trades on behalf of our clients based on their quality of research and ability to execute trades, and will do so in accordance with our Broker Selection and Best Execution Policy.

## 22. Conflicts of Interest

Canadian securities laws require us to take reasonable steps to identify and respond to existing and reasonably foreseeable material conflicts of interest in our clients' best interests and inform clients about them, including how the conflicts might impact clients and how we plan to address them in the best interests of our clients. This section describes the material conflicts of interest that arise or may arise in our capacity as a portfolio manager for our managed account clients and in our capacity as an exempt market dealer for clients that purchase securities of our funds through us. For material conflicts of interest associated with our activities as investment fund manager and/or portfolio advisor of our funds, please see the term sheet, offering memorandum or other disclosure document for the funds under the heading "Conflicts of Interest" (or similar) or in other disclosure provided to investors.

Please navigate to our **Legal and Regulatory** section for our Conflicts of Interest Disclosure.



### 23. Collection of Information

Depending on the nature of the business relationship, we collect certain information from you to meet our business, legal, and regulatory requirements. In all cases, we collect only the personal financial information necessary to provide personalized investment services.

Information will be retained for specific timeframes as required by law. Information may be disclosed as required by law. Information is also shared with third-party service providers that have been engaged by YLC. Confidentiality agreements are in place with the service providers.

### 24. Privacy and Disclosure of Information

YLC treats all personal information in a confidential manner, in accordance with the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Personal Information Protection Act (PIPA)* in British Columbia.

Our **Privacy Policy** can be accessed by clicking the following link on our website.

### 25. Trusted Contact Person (TCP)

When you open a new account or update your account information, we will request that you give us the name and contact information of a "trusted contact person" (TCP). It is not mandatory that you do so – but there are a number of very important reasons to provide us with the name of someone you trust, and the regulatory organizations that govern the financial services industry encourage you to consider the request.

#### **What is a "trusted contact person"?**

A "trusted contact person" is a person whom you authorize YLC to contact in limited circumstances, such as when we have trouble reaching you or have a reasonable belief that your account may be exposed to possible financial exploitation, or if we have concerns about your mental capacity as it relates to your ability to make financial decisions. A TCP must be at least the age of majority or older.

Naming someone as a TCP does not give that person any authority to act on your behalf, execute transactions or engage in activity in your account.

#### **Why would you add a "trusted contact person" to your YLC account?**

- If we cannot reach you, adding a trusted contact person to your YLC account may help your firm ensure that your current address and contact information are correct.
- Adding a trusted contact person to your YLC account may help your portfolio manager respond to possible financial exploitation or fraud in your account and protect your account's assets.
- If we suspect that you are experiencing a health issue, adding a trusted contact person to your YLC account may help us confirm your current health status.
- Adding a trusted contact person to your YLC account may help us verify the identity of any legal guardian, executor, trustee, or holder of a power of attorney on your account.



### **How can you add a "trusted contact person" to your YLC account?**

If you would like to add a trusted contact person to your YLC account, contact us and ask how to add a trusted contact person to your account.

### **26. Temporary Holds**

YLC is committed to protecting the financial interests of all clients, particularly those who may be vulnerable due to age, cognitive decline or other factors. To fulfill this commitment, the firm may place a temporary hold on your account if you are an individual and we reasonably believe that you are in a vulnerable position and are being financially exploited or that you are experiencing diminished mental capacity, which may affect your ability to make financial decisions relating to your account with us. A temporary hold prevents the purchase or sale of securities or the transfer of funds while the situation is reviewed. If we place a hold on your account, we will provide you with written notice of the temporary hold and the reasons for the temporary hold. We review holds every 30 days to determine whether they remain necessary. We understand that a temporary hold may be inconvenient, but it is designed to protect you and your assets. We may also contact your trusted contact person about a temporary hold.

### **27. Business Continuity**

YLC has developed a business continuity plan outlining our response to events that significantly disrupt our business. Our plan allows us to resume critical operations within 48 hours of a significant business disruption. In the event the business continuity plan is invoked, updated information will be posted on our website.