

CANACCORD GENUITY WEALTH MANAGEMENT (USA) INC.

This Regulation Best Interest ("Reg BI") Disclosure Statement ("Reg BI Disclosure Statement") provides information about Canaccord Genuity Wealth Management (USA) Inc. ("CGWM," "us," "our," or "we"). Reg BI imposes principles-based standards on recommendations to retail investors ("you," or "your") requiring broker-dealers to act in the best interest of the retail investor at the time a recommendation is made, meaning that the recommendation, when considered with factors such as your investment experience, current financial situation, risk tolerance, and financial goals, does not place our interests or those of your financial professional ahead of your interests. This Reg BI Disclosure Statement also summarizes important information regarding the brokerage services we offer and clarifies the different standards of conduct that apply to CGWM and our financial professionals depending on whether your account is a commission-based brokerage account or a fee-based advisory account. If you have any questions about the contents of this Reg BI Disclosure Statement, please contact Compliance at 604.643.7300 or email us at: cgwm.usacompliance@cgf.com.

GENERAL INFORMATION ABOUT CGWM

CGWM is registered with the U.S. Securities and Exchange Commission (SEC) as a broker-dealer and an investment advisor and is a member of the Financial Industry Regulatory Authority, Inc. (FINRA) and the Securities Investor Protection Corporation (www.sipc.org). CGWM is a wholly owned subsidiary of Canaccord Genuity Group Inc. (TSX: CF), through Canaccord Adams Financial Group Inc. The Company has affiliates with offices in 12 countries worldwide, including Wealth Management offices located in Canada, Australia, the UK, and Europe.

Canaccord Genuity, the Company's international capital markets division, has operations in Canada, the U.S., the U.K., France, Germany, Ireland, Italy, Hong Kong, mainland China, Singapore, Australia, and Barbados.

Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisors, and investing.

For additional information with respect to CGWM acting in its investment advisory capacity, please see CGWM's Form ADV Part 2A brochure at the SEC's Investment Adviser Public Disclosure website (<https://adviserinfo.sec.gov/>).

You should consider this document along with the Client Relationship Summary ("CRS") you received separately, additional written investment and account specific disclosures (including with respect to specific fees applicable to your account), and verbal disclosures made by your financial professional when evaluating recommendations your financial professional makes to you.

MATERIAL FACTS ABOUT OUR RELATIONSHIP WITH YOU – CAPACITY

CGWM offers both brokerage services, commonly known as "transaction-based" or "commission" and investment advisory services, commonly known as "fee-based." Depending upon your needs and investment objectives, your financial professional may assist you with brokerage services, investment advisory services, or a combination of both. Brokerage services are separate and distinct from advisory services. CGWM's brokerage and advisory services are governed by different laws and regulations and also different terms and conditions within your agreements with CGWM. As a result, CGWM's legal duties and contractual obligations to you will differ depending upon whether CGWM is acting as broker-dealer or acting as investment adviser for you. Some of the primary differences between brokerage and advisory services are described below.

Brokerage services and advisory services have different costs, levels of service, and expenses. They are designed to address different investment needs, and certain brokerage and advisory services may not be appropriate for you. Before opening an

account, you should carefully consider and discuss with your financial professional, in light of your particular circumstances, the services, risks, and expenses associated with the brokerage or advisory service.

If you have one or more brokerage accounts and also have one or more advisory accounts, CGWM will provide both services to you accordingly. The fact that you have an advisory account does not mean that we have fiduciary obligations to you when providing brokerage services or handling your brokerage accounts. All recommendations regarding your brokerage account will be made in a broker-dealer capacity, and all recommendations regarding your advisory account will be made in an advisory capacity. Your financial professional will identify the account for which s/he is making a recommendation.

Brokerage Services

Our brokerage services include:

Investment Recommendations

Our financial professionals can offer recommendations to buy, sell, or hold securities or to execute a series of those transactions.

Transaction Execution

We execute transactions at your discretion subject to product availability and our and our clearing firm's policies and procedures.

Unsolicited Transactions

You may disregard our recommendations or otherwise make your own investment decisions and direct your financial professional to take your buy and sell orders and execute them. Your purchases and sales of securities that are not recommended by us are not subject to Reg BI.

Cash Sweep Program

This program permits you to earn a return on uninvested cash balances in your brokerage account by allowing cash balances to be automatically swept into a cash sweep vehicle until such balances are otherwise required to satisfy obligations in your account. They include interest-bearing deposit accounts and, if permissible, money market mutual funds made available to you.

Margin Lending

If approved, eligible non-retirement accounts may use margin lending to purchase additional securities in the account using fully paid eligible securities as collateral for the margin loan. Additional information, including the risks of margin loans, is available in your account agreement.

Securities-Based Lending

If approved, eligible non-retirement accounts may use securities-based lending as a flexible line of credit using fully paid eligible securities as collateral. The loaned amount may not be used to cover margin debt or purchase additional securities. Additional information, including the risks of securities-based loans, is available in your loan agreement.

Fully Paid Lending Securities Program

If approved through a separate loan agreement, this program allows eligible accounts to pledge your fully paid securities and receive a percentage of revenue earned from the spread.

Custody and Clearing Services

We have entered into an agreement with Pershing, LLC ("Pershing") (also referred to as "Clearing Firm") to carry your account and provide certain operational functions. We and our Clearing Firm share responsibilities with respect to your account as set forth in the Customer Agreement that was delivered to you upon the establishment of your account. Please refer to the Customer Agreement for more information on how such responsibilities have been allocated between us and our Clearing Firm. Please also see the Pershing Disclosure Statement for additional information.

You make the final investment decisions, and CGWM will act solely in its capacity as a broker-dealer and not as an investment adviser in performing our duties with respect to your brokerage accounts. This means that CGWM will only buy or sell securities based upon specific approval from you.

CGWM does not make investment decisions for your brokerage accounts or manage them on a discretionary basis. **We do not monitor brokerage accounts or private placement investments for you, unless we state otherwise in writing.**

Investment Advisory Services

CGWM offers a number of advisory services, including recommendations and investment advice about investment products and services, and either non-discretionary or discretionary fee-based account management. When we act as an investment adviser, we are subject to the Investment Advisers Act of 1940, as amended. CGWM has a fiduciary relationship with you when providing advisory services. When we act as investment adviser, our duties and obligations include, among others, the following:

- We must act with utmost care and good faith toward you.
- We have a duty to seek to obtain "best execution" of transactions for you.
- We must avoid or disclose to you material conflicts of interest.

Additional information about CGWM advisory services is available in your investment advisory agreement and in CGWM's Form ADV Part 2A Brochure, including the terms, conditions, costs, expenses, risks and potential conflicts of interest associated with the applicable advisory service(s). You should review those documents carefully upon receipt if you participate in any advisory service.

MATERIAL FEES AND COSTS

The costs you pay depend on whether you choose brokerage services, advisory services, or both. Your costs also depend on what type of investments you choose. No matter which type of account or investment you select, or whether you make or lose money, you will have expenses that reduce any amount of money you make on your investments over time. Please make sure you understand the expenses you are paying.

For detailed information please refer to the relevant CGWM fee schedules located at: <http://canaccordgenuity.com/wealth-management-canada/cgwm-usa-disclosures/> and/or consult the relevant offering documents which can be obtained through your financial professional. You may also find additional information on our Clearing Firm's fee schedule located at the following link: <https://www.pershing.com/content/dam/pershing/documents/pdfs/disclosures/pas-schedule-of-maximum-charges.pdf>.

In summary, for brokerage services, the costs you will incur are transaction-based commissions for recommendations and execution of securities trades. Depending on the type of investment you select, costs can include up-front commissions for the purchase and sale of securities, syndicate related costs, as well as fees that are charged on an ongoing basis for as long as you hold the investment.

Brokerage

We charge a transaction-based fee (sometimes referred to as a commission) every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. Our fees vary and are negotiable. The amount you pay will depend, for example, on how much you buy or sell, what type of investment you buy or sell, and what type of account you have with us. As a result, CGWM and our financial professionals have a financial incentive to recommend certain investments based upon the payment received.

Our Clearing Firm may charge you additional fees on our behalf for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services. CGWM may apply a markup to these Clearing Firm fees, which is retained by the firm, and CGWM may also share in Clearing Firm fees. CGWM may also receive a share of any interest charges on debit balances or lending programs.

We charge a \$375 annual fee for inactive accounts. Inactive accounts are accounts in which you do not conduct any trading activity during the prior calendar year. These fees will not be charged for the first calendar year that you open the account.

Advisory Services

If you open an advisory account, we charge you a percentage of assets under management for our portfolio management services (referred to as an asset-based fee). We charge asset-based fees on a monthly basis, in arrears. You should be aware that the more assets in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account. You pay fees if we do not buy or sell securities. Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account. The asset-based fee reduces the value of your account and will be deducted from your account.

Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

Our Clearing Firm may charge you additional fees on our behalf for certain transactions, such as wire transfers, foreign custody, shipping and handling fees, and possibly alternative investment fees, if you choose those services. CGWM may apply a markup to these Clearing Firm fees, which is retained by CGWM, and CGWM may also share in Clearing Firm fees.

MATERIAL LIMITATIONS

CGWM makes available to our clients, at our discretion and based on our due diligence and other reviews, a wide range of securities and investment strategies. We choose to recommend products from a limited number of issuers or sponsors for certain investment products that are based on quantitative and qualitative factors that we determine. In addition, we only recommend products or services for which we earn compensation and that meet other of our requirements and qualifications. Information on certain arrangements and requirements that can be considered "material limitations" is discussed in this section. We have in place reviews and various policies and procedures reasonably designed to prevent these material limitations and other business arrangements from affecting the nature of the advice we and our financial professionals provide.

Mutual Funds. For brokerage accounts, we only offer and recommend mutual funds, money market funds, and offshore mutual funds and money market funds where we receive from these funds 12b-1 fees, service fees, marketing support, and/or other fees. Mutual funds and money market funds that would otherwise meet our criteria for inclusion on our product platform will not be available for purchase in your account if we are not paid these fees. We require 12b-1 fees because they are part of the compensation that we pay to our financial professionals for their efforts in reviewing and discussing the particular mutual fund with you and for the execution of the mutual fund transaction for your account. These fees are not paid directly to our financial professionals.

GENERAL BASIS FOR RECOMMENDATIONS

The general basis for our and our financial professionals' recommendations (i.e., what might be described as an investment approach, philosophy, or strategy) is providing access to, and choice of securities and other investments that meet our clients' needs based on their Investment Profiles (as that term is defined for purposes of Reg BI), preferences, and goals, among other considerations. CGWM's process also involves a due diligence process that evaluates whether securities and other investments are in the best interest of our clients.

MATERIAL RISKS ASSOCIATED WITH INVESTMENTS AND BROKERAGE RECOMMENDATIONS

While CGWM will take reasonable care in developing and making recommendations to you, securities involve risk and you may lose money. There is no guarantee that you will meet your investment goals or that the recommended security or investment strategy will perform as anticipated. All investments involve risk, the degree of which varies significantly. Investment performance can never be predicted or guaranteed, and the value of your account will fluctuate due to market conditions and other factors. Investments

that we recommend and actions that we take to execute transactions for your account are subject to various market, liquidity, currency, economic, geographic, and political risks and are not necessarily profitable. You assume the risks of investing in securities and other investments and you could lose all or a portion of their value.

We typically recommend that clients diversify their investments across multiple asset classes, issuers, sectors, and industries to reduce the additional investment risk frequently associated with concentrated investments. You should understand that the decreased diversification resulting from holding concentrated positions in a single security, sector, or asset class typically results in increased risk and volatility, which can result in losses.

Risks investors face include:

Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

If you are purchasing an annuity, make sure you consider the financial strength of the insurance company issuing the annuity. You should select a company that you believe will still be around, and financially sound, during your payout phase.

Currency Risk

Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Economic Risk

Economic risk in investing refers to the potential for financial loss or instability due to changes in the broader economic environment that affects a business investment or economy as a whole. This risk arises from factors such as inflation, interest rates, unemployment rates, exchange rates, and changes in consumer behavior.

Geographic Risk

Geographic risk is also known as political risk or country risk and refers to the potential for adverse effects on investments due to factors specific to a country or region. Factors can include political instability, regulatory changes, economic downturns, and even natural disasters.

Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity, the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

Market Risk

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

MATERIAL FACTS ABOUT CONFLICTS OF INTEREST

We have material conflicts with your interests, including the way we make money, among other things. Many of these conflicts of interest are discussed above with respect to fees paid to CGWM. This Reg BI Disclosure Statement discusses material facts about conflicts of interest associated with our recommendations. It should be read in conjunction with other disclosures made to you. A "Conflict of Interest" is any interest that could cause either CGWM or a financial professional to put our interests and/or the interests of the financial professional ahead of your interest. As required under Reg BI, CGWM has policies and procedures in place to mitigate the influence of these conflicts.

Higher Fee Products

CGWM and its financial professionals may be incentivized to promote products with a higher cost or fee structure for their clients to increase revenue attributed to CGWM or the financial professional to, in turn, increase the firm's or the financial professional's overall compensation. Such products may include mutual funds and the appropriate underlying share class. In this instance, prospectuses and/or offering memoranda are provided to clients that disclose the pertinent cost structure.

Revenue Sharing

Pershing has a revenue-sharing arrangement with CGWM as broker-dealer. According to the terms of the arrangement, Pershing agrees to pay CGWM a portion of the interest earned on margin debit balances and securities-based lending loan balances in advisory accounts at CGWM. In addition, clients who enroll in the Pershing Fully Paid Lending Securities program can pledge their securities and receive a percentage of revenue earned from the spread. Both Pershing and CGWM receive a portion of those revenues as defined in the loan agreement. This is a conflict of interest at the firm level since CGWM has an incentive to establish margin, securities-based loans, and/or fully paid securities lending. This conflict is mitigated by disclosing it to you in addition to the fact that CGWM financial professionals do not receive or otherwise directly share in the interest or revenue payments received by CGWM from Pershing. Also, as part of the revenue-sharing arrangement, Pershing agrees to pay CGWM a portion of the interest earned on credit and cash sweep balances. This is a conflict of interest at the firm level since CGWM USA has an incentive to have clients maintain assets in one of the available cash sweep vehicles. In addition to disclosing it to you, CGWM financial professionals do not receive or otherwise directly share in the interest payments received by CGWM from Pershing.

Pershing has an incentive fee arrangement with CGWM as broker-dealer. According to the terms of the arrangement, once CGWM opens and maintains 250 Corestone asset management (banking) accounts, Pershing agrees to pay CGWM \$25.00 for each additional Corestone account opened thereafter. This is a conflict of interest at the firm level since CGWM has an incentive to establish Corestone accounts at the custodian. This conflict is mitigated by disclosing it to you in addition to the fact that CGWM financial professionals do not receive or otherwise directly share in the incentive payments received by CGWM from Pershing.

Payment For Order Flow

We do not have any arrangements where we receive payment for order flow.

Private Placements

We may receive a fee from the companies who offer their securities for sale in private placements (referred to as "issuers"). When the issuer does not pay us a fee, we will charge you a processing fee. While we generally do not solicit private placement investors, or recommend private placements to investors, these fees create an incentive for us to only offer private placements for companies/issuers that pay us a fee.

Recommendations Regarding Account Type

Your financial professional may recommend that your account be either a brokerage or an advisory account. CGWM has an incentive to recommend that you have a brokerage account if you place trades on a frequent basis. We have a conflict because, when you trade frequently in a brokerage account, your commissions may be comparable or higher than the advisory fee to conduct similar trades in an advisory account.

In an advisory account, you pay an ongoing investment advisory fee to CGWM that is generally a percentage of the value of your account and your financial professional will monitor your account on an ongoing basis, while that is not the case with a brokerage account. In an advisory account, mutual funds can be purchased without a sales load and without ongoing 12b-1 charges. Additionally, in the advisory account that we offer, you give your financial professional discretion to manage your account. See CGWM's Form ADV Part 2A Brochure for more information.

CGWM has an incentive to recommend that you have an advisory account because of the ongoing fees we earn if you place trades on an infrequent basis. This is a conflict because your advisory account cost may be comparable or higher than the aggregate commissions and sales loads/charges you would pay to trade infrequently in a brokerage account.

An advisory account may be appropriate for you if you would like to take advantage of the advisory services available or if you expect significant trading activity in your account during a period of time. Due to CGWM's fiduciary obligation regarding investment choices and holdings in an advisory account, however, advisory accounts are generally not available if you frequently select your own investments and direct your own trade activity independent of your financial professional's advice, regardless of whether an advisory account would result in lower costs. If you are not interested in taking advantage of advisory services and you do not expect to engage in significant trading activity, a brokerage account may be more appropriate.

Activities of Affiliates and Services to other Clients

Canaccord Genuity is a multi-function, cross-border financial institution consisting of CGWM and its affiliated entities. CGWM and its affiliates provide a wide range of services within the financial industry for various parties, such as financial advisory activities, lending, arranging securitizations and other financings, engaging in broker-dealer activities, principal trading, underwriting, and other activities. The provision of these services creates incentives for us to recommend certain products over others based on our relationship with those who receive our services. This also means that a client can hold the securities of issuers for which we perform services. In addition, from time to time in the course of our and our affiliates' business dealings, confidential information is acquired that cannot be divulged or acted upon for clients, even if knowing such information would influence the client's decision to buy or sell.

We could recommend securities in which we or an affiliate directly or indirectly have a financial interest, and we can also buy and sell securities that are recommended to other clients for purchase and sale. For example, a client may hold securities in which we, our officers, our affiliates, or employees also have positions. When financial professionals purchase or sell securities for their own or

certain family members' accounts close in time to transactions in such securities that are solicited for their clients' accounts, the price paid or realized by the financial professional (or family member) generally may not be more advantageous than the price at which the client transactions are effected.

We also could make a recommendation to a client that differs from a recommendation provided to other clients and take action for ourselves that differs from action taken on behalf of clients. Particular clients will be negatively affected by these decisions while other clients will be positively affected. Furthermore, employees and officers of Canaccord Genuity and its affiliates have family and other relationships with individuals or entities that Canaccord Genuity or its affiliates engage in transactions with. Such relationships present conflicts of interest for Canaccord Genuity and its affiliates.

Financial Professional Cash Compensation

For brokerage accounts, your financial professional will receive a portion of the transaction-based fee you pay to us. This means, the more you trade, the more money your financial professional will receive. This creates an incentive for your financial professional to encourage you to trade often.

For investment advisory services, your financial professional will receive a portion of the asset-based fee you pay to us. Meaning, the more assets there are in your advisory account, the more you will pay in fees. Therefore, your financial professional has an incentive to encourage you to increase the assets in your advisory account, including transferring other assets from other accounts.

Outside Business Activities

Some of CGWM's financial professionals may engage in business activities outside of their responsibilities at CGWM. Such activities need to be approved by CGWM Supervisory and Compliance personnel and disclosed on a financial professional's Form U4. Potential conflicts caused by outside business activities, including loss of time focused on CGWM matters, material relationships with public entities, etc. are factors that are considered prior to approval. Financial professionals are prohibited from recommending securities with which they may have a material relationship, including via an outside business activity.