

**ANNUAL INFORMATION FORM**

**ROMC TRUST**

**SERIES A UNITS AND SERIES F UNITS**

**June 4, 2018**

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The filing of this Annual Information Form has been made in each of the Provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan.*

*The Fund and units of the Fund described in this Annual Information Form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.*



**TABLE OF CONTENTS**

THE FUND..... 1  
INVESTMENT RESTRICTIONS..... 1  
UNITS OF THE FUND..... 3  
VALUATION OF PORTFOLIO UNITS ..... 4  
CALCULATION OF NET ASSET VALUE ..... 5  
PURCHASES AND SWITCHES ..... 6  
REDEMPTION OF UNITS..... 6  
RESPONSIBILITY FOR OPERATIONS OF THE FUND..... 7  
CONFLICTS OF INTEREST ..... 9  
FUND GOVERNANCE..... 9  
INCOME TAX CONSIDERATIONS..... 11  
REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEE ..... 15  
MATERIAL CONTRACTS..... 15  
LEGAL AND ADMINISTRATIVE PROCEEDINGS..... 15  
CERTIFICATES ON BEHALF OF THE FUND, MANAGER AND PROMOTER..... 16



## **THE FUND**

This Annual Information Form contains information about ROMC Trust. We refer to ROMC Trust in this document as the "Fund." "We", "us", "our" and "Manager" means McLean Asset Management Ltd. "You" means purchasers of the Fund.

The Fund was formed under, and is governed by, the laws of the Province of Ontario.

McLean Asset Management Ltd. is the manager of the Fund. The head office of the Manager is located at 1 Richmond Street West, Suite 800, Toronto, Ontario, M5H 3W4.

ROMC Trust is an unincorporated open ended unit trust and is governed by a declaration of trust dated January 14, 2016.

The registered head office of the Fund is located at 1 Richmond Street West, Suite 800, Toronto, Ontario, M5H 3W4.

## **INVESTMENT RESTRICTIONS**

### **Standard Restrictions and Practices**

The Fund has adopted the standard mutual fund investment restrictions and practices contained in securities legislation, including National Instrument 81-102 - Investment Fund and National Instrument 81-107 - Independent Review Committee for Investment Fund ("NI 81-107"). These restrictions are designed in part to ensure that the investments of the Fund are diversified and relatively liquid and to ensure the proper administration of the Fund. The Fund is managed in accordance with these restrictions and practices.

The Fund will not mix its investments with investments of other persons. The investments of the Fund will be kept separate from the investments of and from all other property belonging to or in the custody of NBIN Inc. ("NBIN").

### **Investment Objectives and Strategies**

The Fund provides investors with the opportunity to participate with others who share a common investment objective by buying units of the Fund. By pooling your capital with others, you gain access to diversified portfolios of professionally managed investments with clearly stated goals. The Fund is designed to meet the investment objectives of certain investors and employs a value-oriented strategy to achieve its objectives.

We must first obtain the approval of the holders of a majority of the units of the Fund at a meeting where (a) the basis of the calculation of fees or expenses charged to the Fund or directly to its unitholders by the Fund or the manager are changed in a way that could result in an increase in charges to the Fund or its unitholders, or a fee or expense to be charged to the Fund or directly to its unitholders by the Fund or the manager is introduced that could result in an increase in charges to the Fund or its unitholders; (b) the manager of the Fund is changed; (c) the fundamental investment objectives of the Fund are changed; (d) the frequency of the net asset value calculation of the Fund is decreased; (e) the Fund undertakes a reorganization or transfers its assets or acquires assets from another mutual fund; or (f) any restructuring of the Fund into a non-redeemable investment fund or into an issuer which is not an investment fund. We can make other changes to the investment strategies and activities of the Fund without the consent of unitholders, subject to any required approval of Canadian securities authorities and/or the Independent Review Committee.

The investment objectives and strategies of the Fund are summarized in our Simplified Prospectus.

## **Derivatives**

The Fund may use derivatives as permitted by Canadian securities regulators. The risk factors associated with the use of derivatives are disclosed in the Simplified Prospectus. Derivatives may be used to participate in changes to a particular market or group of securities without purchasing the securities directly or to temporarily reduce participating in a particular market in which the Fund has already invested. The types of derivatives the Fund may use include forward contracts, futures contracts, warrants, options, options on futures, swaps and similar instruments.

## **Securities Lending and Repurchase**

The Fund may engage in securities lending and repurchase transactions consistent with the investment objectives and in accordance with the standard practices and restrictions.

## **Eligibility for Investment**

The Fund is a "registered investment" under the *Income Tax Act* (Canada) ("Tax Act"). As long as the Fund continues to be a registered investment or the Fund becomes qualified as a "mutual fund trust" under the Tax Act, units of the Fund are or are expected to be a "qualified investment" under the Tax Act for registered retirement savings plans (RRSPs), registered retirement income fund (RRIFs), tax-free savings accounts (TFSA), registered education savings plans (RESPs), registered disability savings plans (RDSPs) and deferred profit-sharing plans (DPSPs). The Fund will not acquire an investment which is not a "qualified investment" under the Tax Act if, as a result thereof, the Fund would become subject to tax under Part X.2 of the Tax Act. See **Income Tax Considerations – Taxation of Registered Plans**.

Units of the Fund may be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA even when the units are a qualified investment if the unitholder does not deal at arm's length with the Fund or if the unitholder alone, or together with other persons with whom the unitholder does not deal at arm's length, holds 10% or more of the units of the Fund. However, under a safe harbour for newly established mutual funds, the units of a fund will not be a prohibited investment for an RRSP, RRIF or TFSA at any time during the first 24 months of existence if the fund is a "mutual fund trust" under the Tax Act and follows a reasonable policy of investment diversification throughout that period. When this safe harbour does not apply, units of a fund will generally not be a prohibited investment for an RRSP, RRIF or TFSA of a planholder if the planholder and persons (and partnerships) who do not deal at arm's length with the planholder do not, in total, own directly or indirectly 10% or more of the fair market value of that fund. Pursuant to tax amendments released on March 22, 2017, the rules in respect of "prohibited investments" also apply to (i) RDSPs and the holders thereof and (ii) RESPs and the subscribers thereof.

There can be no assurance that the Canadian federal and provincial income tax laws respecting the treatment of mutual funds will not be changed in a manner that will adversely affect the unitholders. In addition, there can be no assurance that Canada Revenue Agency ("CRA") will agree with the tax treatment adopted by the Fund in filing its tax return (e.g. deduction of expenses or recognition of income) and CRA could reassess the Fund on a basis that results in tax being payable by the Fund or additional tax being paid by a unitholder.

Although the Fund expects to maintain its status as a "registered investment" and intends to qualify as a "mutual fund trust" under the Tax Act, if the Fund ceases to maintain its status or fails to so qualify, the Units will not be qualified investments or will cease to be qualified investments for RRSPs, RRIFs and TFSAs. In addition, the Fund will then be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Fund may have adverse income tax consequences for certain unitholders including non-resident persons and RRSPs, RRIFs and TFSAs that acquired an interest in the Fund directly or indirectly from another unitholder. The Fund will endeavour to ensure that the Units constitute and continue to be qualified investments RRSPs, RRIFs and TFSAs. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments and there is no assurance that the conditions prescribed for such qualified or eligible investments will be adhered to at any particular time.

**Investors should consult their own tax advisor for advice on whether or not units of the Fund would be a prohibited investment or whether a particular transaction constitutes a prohibited advantage under the Tax Act for their registered plans.**

## **UNITS OF THE FUND**

The Fund is divided into units, which may be divided into an unlimited number of series. The Fund offers Series A and Series F units of participation of equal value. The interest of each unitholder in the Fund is shown by how many units are registered in the name of such unitholder. There is no limit to the number of units of the Fund that can be issued and there is no fixed issue price. No unit in the Fund has any preference or priority over another unit of the Fund.

No unitholder holds any assets of the Fund. Unitholders have only those rights mentioned in this Annual Information Form, in the custodian agreement, in the Simplified Prospectus and as created in the declaration of trust for the Fund.

Units of the Fund have the following attributes:

1. all distributions from the Fund are automatically reinvested unless requested otherwise by unitholder;
2. the units have no voting rights except as described below;
3. on the termination of the Fund, the assets of the Fund will be distributed and all unitholders in the Fund will share in the value of the Fund;
4. there are no conversion rights;
5. there are no pre-emptive rights;
6. the units of the Fund may be redeemed as described below;
7. there is no liability for further calls or assessments; and
8. fractional units may be issued with all the rights in proportion to a whole unit.

Subject to certain exceptions, the following changes cannot be made to the Fund unless approved by the holders of a majority of the units of the Fund:

1. a change in the basis of calculation of a fee or expense that is charged to the Fund or its unitholders in a way that could result in an increase in charges to the Fund or its unitholders;
2. a change in the Manager of the Fund (other than to an affiliate of the Manager);
3. a change in the fundamental investment objectives of the Fund;
4. any decrease in the frequency of calculating the net asset value of the units of the Fund;
5. in certain cases, the Fund undertakes a reorganization with, or a transfer of its assets to, another fund, if;
  - the Fund ceases to continue after the reorganization or transfer of assets; and
  - the transaction results in the unitholders of the Fund becoming unitholders in the other mutual fund;
6. in certain cases, the Fund undertakes a reorganization with, or acquires assets from, another fund, if;
  - the Fund continues after the reorganization or acquisition of assets;
  - the transaction results in the unitholders of the other mutual fund becoming unitholders in the Fund; and
  - the transaction would be a significant change to the Fund; or
7. any other matter which is required by the Declaration of Trust or applicable legislation or by any agreement to be submitted to a vote of unitholders of the Fund.

The Fund does not hold regular meetings of unitholders. At any meeting of unitholders, each unitholder will be entitled to one vote for each whole unit registered in the unitholder's name. Where meetings of more than one class of the Fund are convened jointly, classes of the Fund shall be voted separately on any matter that requires a class vote.

The Manager, as trustee of the Fund, will give unitholders of the Fund 30 days' notice of any other amendment to the declaration of trust proposed by the Manager, except that the Manager may amend the declaration of trust without approval of or notice to unitholders of the Fund, if the proposed amendment:

- is intended to ensure compliance with applicable laws, regulations, rules or policies;
- is intended to provide additional protection for unitholders;
- is intended to remove conflicts or inconsistencies or to correct typographical, clerical or other errors;
- is intended to facilitate administration of the Fund in conformity with current industry practice;
- is intended to respond to any existing or proposed amendments to the Tax Act which might otherwise adversely affect the tax status of the Fund or its unitholders; or
- is intended to amend the provisions of the Declaration of Trust, if the Manager, as trustee of the Fund, is of the opinion that the amendment is not prejudicial to unitholders and is necessary or desirable.

Under NI 81-107, which came into force November 1, 2006, all mutual funds in existence on May 1, 2007 must have an independent review committee ("IRC") in place to achieve independent oversight over the management of real and perceived conflicts of interest in their day-to-day management. The Fund has an operating IRC which has the ability to make the following changes without the approval of unitholders, subject to compliance with the terms of the Declaration of Trust:

- change the auditor of the Fund, provided that the IRC has approved the change and unitholders are sent a written notice at least 60 days prior to the change; and
- undertake a reorganization of the Fund with, or transfer its assets to, another mutual fund managed by the Fund's manager or its affiliate, provided that the IRC has approved the transaction and unitholders are sent a written notice at least 60 days prior to the change and certain other conditions are met.

We will give unitholders 60-days written notice of any change to the basis of the calculation of the fees or expenses that are charged to the Fund or its unitholders by an arm's length party that could result in an increase in charges, or the introduction of a fee or expense to be charged to the Fund or its unitholders, that could result in an increase in charges. The provisions of such notice will obviate the need to obtain unitholder approval of such increase at a meeting of unitholders.

## **VALUATION OF PORTFOLIO UNITS**

In determining the fair market value of the assets of the Fund, the following rules apply:

- liquid assets (which term includes cash, bills and demand notes, accounts receivable, cash dividends, and interest accrued and not yet received) will be valued at their face value unless the Manager determines an otherwise fair value;
- securities listed on a public securities exchange will be valued at their current market value, being the last sale price on that valuation date or, if no sales are reported, at the average between the closing bid and the closing ask price on the day which the net asset value of the securities is being determined;
- unlisted securities will be valued at their last ascertainable price or, in the absence of a price or if the Manager reasonably believes that the last ascertainable sale price does not properly reflect the value of a particular security, the mean of the most recently published bid and asked prices;

- securities and other assets for which market quotations are not readily available will be valued at their estimated fair value, as determined by the Manager;
- restricted securities are valued at the lesser of:
  - the value thereof based on reported quotations in common use; and
  - that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- commodity futures contracts and commodity futures options entered into for hedging foreign currency exposure will be valued at the market value thereof on the day as of which the net asset value of the Fund is being determined; any difference resulting from revaluation will be treated as an unrealized gain or loss on foreign exchange transactions;
- clearing corporation options will be valued at their current market value, being the last sale price on that valuation date or, if no sales are reported, at the average between the closing ask price and the closing bid price;
- the premium received on clearing corporation options written by the Fund will be treated as a deferred credit which will be valued at the current market value of an option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Fund; the portfolio securities which are the subject of a clearing corporation option written by the Fund will continue to be valued in the manner described above for listed securities;
- the value of any security of an investment fund held by the Fund that is not listed or dealt in upon a securities exchange will be its net asset value as publicly reported, or if not publicly reported, as provided to the Manager, by the investment fund's manager;
- if securities are inter-listed or traded on more than one exchange or market the Manager shall use the last sale price or the closing bid price, as the case may be, updated on the exchange or market determined by the Manager to be the principal exchange or market for such securities; and
- liquid assets and securities quoted in foreign currencies will be translated to Canadian dollars to reflect the exchange rate existing on that valuation date.

If the valuation principles described above cannot be applied, the Manager will determine an estimate of fair value. For more information, including significant accounting policies, see the audited financial statements of the Fund.

#### **CALCULATION OF NET ASSET VALUE**

The net asset value of each series of units of the Fund is determined daily after the New York Stock Exchange ("NYSE") closes. In some circumstances, we may calculate the net asset value at another time or less frequently.

The net asset value per unit for a given series is computed by dividing the net assets attributable to that series by the total number of units of the series outstanding at the time.

The net asset value is the price for all sales of units (including on the reinvestment of distributions) and for redemptions. The issue and redemption price of units of the Fund is based on the series' net asset value next determined after the receipt of a purchase order and a redemption order.

The Fund has the Canadian dollar as its reporting currency and its net asset value is expressed in its reporting currency.

You can get the net asset value of each series of the Fund and the net asset value per unit of each series of the Fund, at no cost, by sending an email to [davidmclean@mamgmt.com](mailto:davidmclean@mamgmt.com) on the Manager's website at [www.mamgmt.com](http://www.mamgmt.com), by calling toll-free at 1-866-261-6669 or by asking your dealer.

## **PURCHASES AND SWITCHES**

### **Purchasing Units**

Unless otherwise agreed by the Manager, you must invest and maintain a balance of \$5,000 in the Fund and each subsequent investment must be at least \$500.

The issue price of the units is based on the net asset value of a unit of that series of a class, determined after receipt by the Fund of the purchase order.

Subject to its right of rejection of any purchase order, a purchase order for units which is received by the Manager prior to 4:00 p.m. Eastern Time on a valuation date will be priced that day. If a purchase order is received after 4:00 p.m. Eastern Time on a valuation date or a day which is not a valuation date, it will be priced on the next valuation date. If the Trustee decides to calculate the unit value at a time other than after the usual closing time of the Toronto Stock Exchange ("TSX") or the NYSE, the unit price paid or received will be determined relative to that time. We must receive payment for the purchase order within three business days of the valuation date (or before such other deadline as we may establish from time to time in accordance with applicable securities laws), or the units will be redeemed in accordance with the procedure described in the Simplified Prospectus, and you may have to compensate your broker or dealer for any losses suffered by it in connection with the failed settlement.

We do not issue a certificate when you buy units of the Fund, but we will send you a confirmation which is proof of your purchase. A record of the number of units you own and their value will appear on your next account statement.

Units of the Fund are available for purchase in Canadian dollars. The Manager, at its discretion, may allow for U.S. dollar settlement of purchases.

If you purchase units from your broker or dealer, you may have to pay a sales commission as described in the Simplified Prospectus.

### **Switches of Units**

You can switch units from one series of the Fund to another. When we receive your order to switch, we will sell units of the Fund series and use the proceeds to buy the other series. Your new units will come with the same redemption charge schedule as your old units. Switching units of one series of the Fund to another series of the Fund is not a disposition for tax purposes. See **Income Tax Considerations** below.

## **REDEMPTION OF UNITS**

Before proceeding with any redemption, it is important that you discuss the proposed redemption with your dealer as well as your tax advisor so that you are fully aware of all of the implications of making the redemption. We will process redemption orders on the same day that instructions are received if we are properly notified by 4:00 p.m. (Eastern Time) on any valuation date. If we receive proper instructions after 4:00 p.m. (Eastern Time), we will process the order on the next valuation date.

The redemption price of the units is based on the net asset value of a unit of that series of a class, determined after receipt by the Fund of the redemption order.

You must provide us with a written redemption request within two business days of placing your order. If a unit certificate was issued to you when you bought the units, you must also provide that certificate to us.

Your dealer is required, whenever practicable, to transmit your redemption request to the Trustee on the same day. If within 10 business days we still have not received all the documentation, we are required to repurchase your units. If the repurchase amount is less than the redemption proceeds, the Fund will keep the difference. If the repurchase amount is greater than the redemption proceeds, the dealer placing the redemption must pay the Fund the difference plus any banking costs or interest, and we will collect this amount from your broker or dealer. Your broker or dealer may have the right to collect it from you.

Within two business days (assuming we have received the information described above) following each valuation date, the trustee will pay to each unitholder who has requested a redemption the value of the units determined on the date the redemption request was treated as received. If a unitholder requests redemption of units representing more than 10% of the outstanding units, with the prior written consent of the unitholder, payment of the redemption price may be made by transfer of a proportionate number of underlying investment units in lieu of cash. If all of a unitholder's units in the Fund are redeemed, any net income and net realized capital gains relating to the units which have been made payable prior to the valuation date will also be paid to the unitholder. If a unitholder redeems only some of its units in the Fund, the proceeds will be paid as described above and net income and net realized capital gains attributable to the units will be paid to the unitholder in accordance with the Fund's distribution policy, as described in the Simplified Prospectus. Payments will be considered made upon the mailing of a cheque addressed to the unitholder unless the cheque is not honoured for payment. For redemption orders received electronically, the redemption proceeds will be paid electronically to the broker through the clearing and settlement services system.

If the balance of an account is less than \$4,000, the Fund may redeem your units and pay such amount less relevant sales charges to your account. Before taking any action, we will give you 30 days to bring the value of your account up to the minimum level.

The Manager, on behalf of the Fund, may suspend your right to request a redemption for all or part of a period when normal trading is suspended on a stock, options or futures exchange in Canada or outside Canada in which securities or derivatives that make up more than 50% of the value or underlying exposure of the Fund's total assets are traded; and those securities or derivatives are not traded on any other exchange that represents a reasonable alternative for the Fund.

Units of the Fund are redeemable in Canadian dollars. The Manager, at its discretion, may allow for U.S. dollar settlement of redemptions.

If you redeem units of any Fund within 90 days of the purchase of the units, you will be charged a short-term trading fee of 2% of the value of the units. This fee is paid to the Fund and not to us.

## **RESPONSIBILITY FOR OPERATIONS OF THE FUND**

### **Manager**

McLean Asset Management Ltd. is the manager of the Fund. The address and phone number of the Manager is 1 Richmond Street West, Suite 800, Toronto, Ontario, M5H 3W4, Telephone 416-488-0547, [davidmclean@mamgmt.com](mailto:davidmclean@mamgmt.com). Our website address is [www.mamgmt.com](http://www.mamgmt.com).

The Manager is the manager of the Fund under a management agreement dated January 15, 2016 (the "Management Agreement"). The Manager provides or arranges for the Fund's day-to-day business administration and also provides investment counselling and portfolio management services. The Manager provides or coordinates all other services required by the Fund. The Manager has retained Commonwealth Fund Services Ltd. ("Commonwealth") to perform certain administrative and recordkeeping services.

The Management Agreement will automatically terminate on the insolvency or bankruptcy of the Manager. The Management Agreement may also be terminated by the Manager or the Fund at any time by giving the other party not less than three months' notice.

The Fund pays the Manager a management fee, calculated weekly and payable monthly. The management fee for the Fund is calculated based on the annual rates described in the Simplified Prospectus.

In addition to its management fee, the Fund bears its proportionate operating expenses. The total of all fees and expenses (excluding HST) charged to the Fund during any year (including the management fee), as a percentage of the net assets of the Fund is referred to as the management expense ratio ("MER") of the Fund. From time to time, we may reduce the management fees or pay some operating expenses directly, at our discretion.

The name and municipality of residence, position and office held with the Manager and current principal occupation of each of the directors and executive officers of the Manager as at the date of this Annual Information Form are as follows:

Name and Municipality of Residence	Position Held with Manager and Principal Occupation
David G. McLean (Toronto, Ontario)	President, Chief Executive Officer, Chief Compliance Officer and Director at the Manager from October 1998 to present. During the past five years, David G. McLean has held his present principal occupation
E. Paul Hickey (Toronto, Ontario)	Director of the Manager from April 2018 to present. From January 2003 to present, Mr. Hickey has held the office of Chief Executive Officer of Today's Menu Inc.
Wilson Birks McLean (Montreal, Quebec)	Director of the Manager from April 2016 to present and Chief Financial Officer of the Manager from July 2016 to present.

**Brokerage Arrangements**

The Manager makes decisions as to the purchase and sale of portfolio securities and other assets of the Fund such as cash and term deposits as well as decisions regarding the execution of portfolio transactions of the Fund. The Manager seeks to obtain the best execution of securities transactions when arranging or executing trades on behalf of the Fund. Trades are allocated to the Fund's broker based on execution capability, commission rate, financial responsibility and responsiveness. The Fund's dealer does not charge any amount in addition to the brokerage commission for custody. Any commission rebates received by the Manager will be paid to the Fund.

NBIN acts as the Fund's broker.

**Trustee**

The Manager is also the trustee of the Fund. We have entered into a Declaration of Trust with the Fund. The Declaration of Trust may be amended in the manner described under **Units of the Fund**. The trustee holds the property of the Fund on behalf of the unitholders of the Fund. The trustee receives no fees from the Fund. The trustee may resign as trustee by giving 60 days' notice to unitholders.

**Custodian**

NBIN, located in Toronto, Ontario, acts as the Fund's custodian and holds the cash and securities of the Fund. NBIN also has been appointed to provide the Fund with margin account, custody and settlement services. All marketable securities are held by NBIN in Canada, with the possible exception of certain foreign assets. Some foreign assets may be held by local sub-custodians appointed by NBIN or under its

authority in various foreign jurisdictions, where the Fund may have assets invested. NBIN or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system.

**Auditors**

The auditors of the Fund are KPMG LLP, Chartered Professional Accountants, of Toronto, Ontario.

**Registrar**

Convexus Managed Services Inc. (Convexus) provides or arranges for keeping a record of and acting as record-keeper to all units purchased pursuant to an Administrative Services Agreement dated January 15, 2016. In addition, Convexus also processes purchases and redemption orders, processes distributions and issues investor account statements. The register of unitholders of the Fund is kept in Toronto, Ontario. Convexus provides fund valuation and accounting services pursuant to this agreement.

**Securities Lending Agent**

The Fund does not currently have a securities lending agent.

**Independent Review Committee**

The Independent Review Committee reviews conflicts of interest matters referred to it by the Manager and provides the Manager with either a recommendation or approval relating to these matters.

**CONFLICTS OF INTEREST**

**Principal Holders of Units**

(a) **The Fund**

Except as stated below, as at May 31, 2018, no person or company owns of record or, to the knowledge of the Fund or the Manager, beneficially, directly or indirectly, more than 10% of the outstanding units of the Fund:

Name	Type of Ownership	Number of Units Owned	Percentage of Outstanding Units
Peter van Schaik	Direct	103,329.46	14.0%
Teresa van Schaik	Direct	128,231.07	17.4%

(b) **Manager**

The Manager is authorized to issue common shares of which 434 common shares, being all of the outstanding shares of the Manager, are owned by David G. McLean.

(c) **Independent Review Committee**

As at April 30, 2018, no members of the IRC (as defined below) owned, directly or indirectly, in the aggregate, any class or voting or equity securities of the Manager, any class of voting securities of any person or company that provides services to the Fund or the Manager.

(c) **Affiliated Entities**

No person or company that provides services to the Fund or Manager in relation to the Fund is an affiliated entity to the Manager.

**FUND GOVERNANCE**

The President of the Manager (who is also the trustee of the Fund) is responsible for the overall governance of the Fund. The Manager has written policies, practices and guidelines relating to business practices, sales

practices, risk management controls and internal conflicts of interest. Also, **Proxy Voting Policies, Policies Regarding Derivatives and Policies Regarding Securities Lending and Repurchase and Reverse Repurchase Transactions** are summarized below.

### **Independent Review Committee**

In accordance with NI 81-107 respecting Independent Review Committee for Investment Funds, the Manager has established an Independent Review Committee ("IRC") to provide impartial judgment on conflicts of interest matters related to the operations of the Fund. The IRC is composed of persons who are independent of the Manager, the Fund and entities related to the Manager. The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions. The IRC will prepare, at least annually, a report of its activities for unitholders which will be available on our website at [www.mamgmt.com](http://www.mamgmt.com), at your request and at no cost, by calling 416-488-0547 or by e-mail at [davidmclean@mamgmt.com](mailto:davidmclean@mamgmt.com). Currently, the members of the IRC are Peter van Schaik of Aurora, Ontario, Warren Laing of Toronto, Ontario, and Bohdan Olearczyk of Toronto, Ontario. The costs of the IRC will be allocated to the Fund in a manner that is considered by the IRC to be fair and reasonable to the Fund. The composition of the IRC may change from time to time. Each member of the IRC receives an annual retainer of \$1,000. No compensation was paid to the members of the IRC in the year ended December 31, 2017.

### **Policies Regarding Derivatives**

The Fund may utilize derivative instruments for both hedging and non-hedging strategies in a manner which is consistent with the investment objectives of the Fund. The use of such derivatives by the Fund is to hedge risks associated with existing investments or groups of investments. The Fund may use covered call options which would guarantee a minimum sale price and, therefore, minimize downside risk. Since the call options are used only in conjunction with securities the Fund have determined to sell, and are covered by securities already owned by the Fund, Management takes no unusual steps to manage risks from the use of such derivatives. The Fund may invest in Credit Default Swaps ("CDS") to hedge against market risks. A CDS may offer the Fund higher returns for assuming very similar credit risk positions as an alternative to a direct investment. A CDS can offer the Fund an opportunity to invest in credits that trade in foreign markets without bearing unwanted currency risks to the Fund. There are no written policies or procedures in place that set out the objectives and goals for derivatives trading. The President of the Manager is responsible for all trading authorizations and determines the limits or controls on trading. No risk measurement procedures or simulations are used to test the portfolio under stress conditions.

Although the Fund does not currently invest in CDS, the required 60-day notice may be given to investors in the future in order to begin investing in CDS. The Fund will invest no more than 5% of its assets, at the date of purchase, in CDS. However, the Fund may enter into other forms of derivative transactions in the future as described in the Simplified Prospectus of the Fund after giving investors 60 days prior written notice. The Fund may enter into these transactions only as permitted under securities law.

### **Policies Regarding Securities Lending and Repurchase and Reverse Repurchase Transactions**

The Fund may enter into securities lending agreements as permitted under applicable securities laws. The Fund's custodian or sub custodian shall act as the agent for the Fund in administering the securities lending transactions of the Fund. The risks associated with these transactions will be managed by requiring that the Fund's agent enter into such transactions for the Fund with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent will be required to maintain internal controls, procedures and records, including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party and collateral diversification standards.

The Manager has established certain policies and procedures to ensure that the risks associated with securities lending agreements will be properly managed. The policies specify that all securities lending transactions must be done in accordance with securities lending rules outlined in applicable securities

legislation. The Manager will monitor, on a daily basis, the Fund's securities lending activities. The policies and procedures relating to securities lending transactions will be reviewed and updated on a regular basis.

The Fund has not entered into repurchase or reverse repurchase transactions. However, the Fund may enter into repurchase or reverse repurchase agreements in the future as described in the Simplified Prospectus of the Fund after giving investors 60 days prior written notice. The Fund may enter into these transactions only as permitted under securities law. In the event the Fund commences repurchase or reverse repurchase transactions, similar controls, policies and procedures will be put in place for those transactions as described above for securities lending agreements.

### **Proxy Voting Policies**

The Manager is responsible for directing how proxies relating to any securities of the Fund are to be voted. The Manager has adopted written policies and procedures (the "Proxy Voting Policy") aimed at ensuring that all votes in respect of securities held by the Fund are exercised in accordance with the best interests of the Fund.

The Manager is required to follow the guidelines set forth in the Proxy Voting Policy. However, the Proxy Voting Policy provides that the Manager will review the terms of each proxy vote on its own merits. Consequently, the Manager may deviate from guidelines in the Proxy Voting Policy in situations which will protect or enhance the investment value of a security.

The Proxy Voting Policy provides that the Manager will generally cause the Fund to vote in favour of management proposals on routine matters such as the election of directors, appointment of auditors, indemnification of directors and receipt and approval of financial statements, provided it is in line with the guidelines set forth in the Proxy Voting Policy.

With respect to non-routine matters, such as take-over defense measures and changes in capital structure, the Manager will examine proxies and recommendations for special proposals to assess the impact on the value of the securities, generally voting in favour of proposals that would enhance the investment value of the relevant security in the long term and against proposals that increase the risk level and reduce the investment value of the relevant security in the long term. Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

The Board of Directors of the Manager oversees the proxy voting process and reviews proxy voting results, policies and procedures on an annual basis to ensure that securities held by the Fund are voted in accordance with the Proxy Voting Policy. When the Manager becomes aware of any vote that presents a conflict of interest, the conflict is reported to the Board of Directors of the Manager and proxies are voted in a manner consistent with the best interests of the Fund, without regard to any other business relationship that may exist.

The Proxy Voting Policy is available on request, at no charge, by calling collect 416-488-0547 or by writing to the Manager at 1 Richmond Street West, Suite 800, Toronto, Ontario, M5H 3W4.

The proxy voting record for the Fund will be prepared as of the most recent period ending June 30 of each year and will be made available, free of charge, to any unitholder of the Fund upon request at any time after August 31 of that same year.

### **Short-Term Trading**

Short-term trading activities in the Fund may adversely affect unitholders. Frequent trading can hurt the Fund's performance by forcing the Manager to keep more cash in the Fund than would otherwise be needed, or to sell investments at an inappropriate time. It may also increase the Fund's transaction costs. While the Manager will actively take steps to monitor, detect and deter short-term trading, it cannot ensure that such trading activity will be completely eliminated.

In order to protect the interest of the majority of unitholders in the Fund and discourage short-term trading in the Fund, unitholders that redeem their units within 90 days of purchasing such units will be charged a fee equal to 2% of the value of the units redeemed.

The Manager may also take such additional action as it considers appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor's account.

## **INCOME TAX CONSIDERATIONS**

This section describes the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the Fund and to a prospective purchaser of units of the Fund who is a Canadian resident individual (other than a trust) holding units of the Fund as capital property, dealing at arm's length with the Fund and not affiliated with the Fund, each within the meaning of the Tax Act.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and the regulations thereunder announced by the Minister of Finance (Canada) prior to the date of this Annual Information Form and the current published administrative policies and assessing practices of the CRA, all as publicly available on the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action.

It is intended that the Fund will maintain its status as a "registered investment" and will eventually qualify as a "mutual fund trust" under the Tax Act. This summary is based on the assumption that the Fund is a registered investment under the Tax Act at all times. This summary does not constitute legal or tax advice to any particular investor. **If the Fund were to fail to constitute a registered investment, the income tax considerations described below would in some respects be materially and adversely different.**

**This summary is not intended to be exhaustive of all possible income tax considerations. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in the Fund in their particular circumstances.**

### **Taxation of the Fund**

In each taxation year, the net income and net realized capital gains, if any, of the Fund that would otherwise be taxable in the Fund will be distributed to unitholders and paid by reinvestment in the Fund or in cash. Consequently, the Fund will not be liable for income tax under Part I of the Tax Act. The Fund has a taxation year end of December 31.

Capital or income losses incurred by the Fund cannot be allocated to unitholders but may, subject to certain limitations, be deducted by the Fund from its capital gains or income realized in other years. In certain circumstances losses of the Fund may be suspended or restricted, and therefore would not be available to shelter capital gains or income. Foreign source income received by the Fund will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes withheld will be included in the calculation of the Fund's income.

Generally, the Fund will include gains and deduct losses in connection with derivative activities used for non-hedging purposes on the income account and will recognize such gains or losses for income tax purposes at the time they are realized by the Fund. Subject to the derivative forward agreement ("DFA") rules discussed below, where the Fund uses derivatives to closely hedge gains or losses underlying capital investments held by the Fund, such gains or losses may, depending on the circumstances, be recognized on the capital account; otherwise, such gains or losses will be recognized on the income account.

The DFA rules in the Tax Act target certain financial arrangements (described in the DFA rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on investments that would have the character of ordinary income to capital gains. Pursuant to proposals released on September 16, 2016, the DFA Rules will generally not apply to derivatives used to closely hedge gains or losses due to currency fluctuations on underlying capital investments of a Fund. Hedging, other than currency hedging on underlying capital investments, that reduces tax by converting the return on investments that would have the character of ordinary income to capital gains through the use of derivative contracts will be treated by the DFA Rules as on income account.

The Tax Act contains "loss restriction event" ("LRE") rules that could potentially apply to the Fund. In general, a LRE will occur to the Fund if a person (or group of persons) acquires units of the Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to unitholders of the Fund to the extent required for the Fund not to be liable for income taxes, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an "investment fund". An "investment fund" for this purpose includes a trust that meets certain conditions; including satisfying certain of the conditions for qualifying as a "mutual fund trust" under the Tax Act, as well as maintaining a reasonable level of asset diversification. There can be no assurance that the Fund will so qualify.

#### **Taxation of Individual Unitholders Resident in Canada**

Generally, if units are held in a registered tax plan (such as an RRSP, RESP, RRIF, RDSP or DPSP) or in a TFSA, income and capital gains received from the Fund, and capital gains realized on selling or transferring the units of the Fund, will not be taxable in such registered plans, but will be taxable when investors withdraw these amounts from the registered plans (other than a return of contributions from an RESP or certain withdrawals from an RDSP). Withdrawals from a TFSA are not taxable. A unitholder of the Fund will be subject to a penalty tax if the units are a "prohibited investment". Units of the Fund are a prohibited investment if the unitholder does not deal at arm's length with the Fund or if the unitholder alone, or together with other persons with whom the unitholder does not deal at arm's length, holds 10% or more of the value of the Fund. However, under a safe harbour for newly established mutual funds, the units of a fund will not be a prohibited investment for an RRSP, RRIF or TFSA at any time during the first 24 months of existence if the fund is a "mutual fund trust" under the Tax Act and follows a reasonable policy of investment diversification throughout that period. Investors should consult their own tax advisors regarding specific rules relating to withdrawals of amounts rolled into an RDSP from certain other registered plans, as well as regarding the impact of TFSA withdrawals on TFSA contribution room.

Generally, unitholders who hold units of the Fund directly (not in a registered tax plan or TFSA) will be required to include in their income all net income and net taxable capital gains, if any, payable to them, whether paid by reinvestment or in cash. To the extent applicable, the Fund intends to make designations to ensure that the maximum portion of its dividends, foreign income, net realized capital gains and foreign creditable tax will be received by unitholders as dividends, foreign income or taxable capital gains, as the case may be, or will be deemed to be paid by unitholders in the case of foreign creditable tax.

When unitholders purchase units of the Fund, a portion of the price paid may reflect income and capital gains of the Fund for the year. The amounts paid to unitholders must be included in their income for tax purposes subject to the provisions of the Tax Act, even though the Fund earned these amounts before the unitholders owned the units.

Unitholders are generally required to include in their income any repayment of management fees paid by the Fund.

Where a unitholder redeems or otherwise disposes of, or is deemed to dispose of, units, including for the purpose of satisfying any negotiable switch fee or for any other reason, a capital gain (or a capital loss) will

generally be realized to the extent that the proceeds of disposition of the unit exceeds (or is exceeded by) the aggregate of the adjusted cost base to the investor of the units and any costs of disposition. One-half of a capital gain must be included in computing the unitholder's income under the Tax Act. A switch of units of one series of the Fund to another series of the Fund will, not in itself, result in a disposition.

The adjusted cost base of units to a unitholder is, generally, the cost of your initial investment, plus the amount of any additional investments, plus the amount of any distributions that were reinvested, minus amount of any return of capital and minus the adjusted cost base of any previously redeemed units. Unitholders should keep detailed records of the purchase costs, sales charges and dividends or distributions related to their Fund units.

If dividends or distributions by the Fund (including management fee rebates) in any year exceed the Fund's net income and net realized capital gain for the year, the excess amount paid to the investor will not be included in their income. However, unitholders should reduce the adjusted cost base of their units by the excess amount.

### **Taxation of Registered Plans**

A registered plan that holds units of the Fund and the plan holder of that registered plan will not be subject to tax on the value of the units or the income or capital gains distributed by the Fund or a gain realized on the disposition of the units provided the units are: (i) a qualified investment under the Tax Act for the registered plan; (ii) in the case of an RRSP, RRIF, TFSA, RESP, and RDSP not a prohibited investment under the Tax Act for the registered plan and not used in a transaction that constitutes an advantage under the Tax Act in relation to the registered plan; and (iii) not used as security for a loan.

**Investors should consult their own tax advisor for advice on whether or not units of the Fund would be a prohibited investment or whether a particular transaction constitutes a prohibited advantage under the Tax Act for their registered plans.**

### **Exchange of Tax Information**

Part XVIII of the Tax Act imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "U.S. reportable accounts". The Fund is a "reporting Canadian financial institution" and may be required to provide information to the CRA in respect of its unitholders who are "U.S. reportable accounts". Such information generally relates to citizenship, residency and, if applicable, a U.S. federal tax identification number or such information relating to the controlling person(s) in the case of certain entities. If unitholders hold their units of a Fund through a dealer, the dealers will be subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, unitholders may be requested to provide information to the Fund or their dealer to identify U.S. persons holding units of the Fund. If a unitholder (or any controlling person of certain entities) is identified as a U.S. person (including a U.S. citizen) or if a unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the unitholder's investments held in the financial account maintained by the Fund or the dealer to be reported to CRA, unless the investments are held within a RRSP, RRIF, DPSP, TFSA, RDSP or RESP. CRA is expected to provide that information to the U.S. Internal Revenue Service.

In addition, Part XIX of the Tax Act was recently enacted to implement the Organisation for Economic Cooperation and Development Common Reporting Standard (the "CRS"), which will require the Fund to provide information to the CRA about accounts maintained for individuals and entities whose residency for tax purposes is in a jurisdiction outside country outside of Canada and the U.S. The CRA will then provide that information to foreign jurisdictions with which it has established a partnership in the context of the CRS. The Fund began collecting information on new client accounts after July 1, 2017. In 2018, it has and will continue to report the information collected in 2017 (and other information, generally related to distributions from, and value of, the accounts) on any new holders whose residency for tax purposes is in a jurisdiction other than Canada. Any holders of preexisting accounts whose residency for tax purposes is in a jurisdiction other than Canada will be reported to the CRA starting in 2019. Each subsequent year, the accounts of the preceding year will be reported.

## **REMUNERATION OF DIRECTORS, OFFICERS AND TRUSTEE**

There are no directors or executive officers of the Fund. The Trustee will receive the compensation described under "Manager" above.

## **MATERIAL CONTRACTS**

- (a) Declaration of Trust dated as of January 14, 2016, particulars of which may be found under **Name, Formation and History of the Fund**;
- (b) Management Agreement between the Fund and the Manager, dated as of January 15, 2016, particulars of which may be found under **Responsibility for Operations of the Fund - Manager**;
- (c) Custodial Agreement with NBIN dated October 13, 2016, particulars of which may be found under **Responsibility for Operations of the Fund - Custodian**; and
- (d) Administrative Services Agreement with Convexus Managed Services Inc. dated January 15, 2016, particulars of which may be found under **Responsibility for Operations of the Fund - Registrar**.

Copies of each of the material contracts of the Fund are available for inspection at the head office of the Manager during business hours.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

As of the date of this Annual Information Form we are not aware of any legal or administrative proceedings, either pending or ongoing, which would materially affect the Fund.

## **CERTIFICATES ON BEHALF OF THE FUND, MANAGER AND PROMOTER**

### **ROMC TRUST**

This Annual Information Form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the units offered by the simplified prospectus, as required by the securities legislation of each of the provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan and do not contain any misrepresentations.

DATED: June 4, 2018

McLean Asset Management Ltd. as Trustee, Manager and Promoter of  
ROMC Trust

"David G. McLean"

David G. McLean  
Chief Executive Officer

"Wilson B. McLean"

Wilson B. McLean  
Chief Financial Officer

On behalf of the Board of Directors of McLean Asset Management Ltd.,  
as Trustee, Manager and Promoter of  
ROMC Trust

"E. Paul Hickey"

E. Paul Hickey  
Director

**ROMC TRUST**

**McLean Asset Management Ltd.  
1 Richmond Street West  
Suite 800  
Toronto, Ontario  
M5H 3W4  
416-488-0547**

Additional information about the Fund is available in the Fund's Fund Facts, management reports of fund performance and financial statements.

You can get a copy of these documents at no cost by calling collect to 416-488-0547, or from your dealer or by e-mail at [davidmclean@mamgmt.com](mailto:davidmclean@mamgmt.com), or by calling the administrator toll free at 1-866-261-6669.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on McLean Asset Management Ltd.'s internet site at [www.mamgmt.com](http://www.mamgmt.com) or at [www.sedar.com](http://www.sedar.com).