

# Assante|connect MANAGED ACCOUNT AGREEMENT AND RELATIONSHIP DISCLOSURE

This managed account agreement (the "Agreement"), effective as of the date accepted is entered into by and between the undersigned client(s) (the "Client") and Assante Connect, a division of WealthBar Financial Services Inc. ("WealthBar", "Assante Connect", "we", "us", "our") carrying on business as Assante Connect (the "Portfolio Manager"), on the terms and conditions set forth below.

## **Appointment**

1. The Client hereby appoints the Portfolio Manager as portfolio manager of the Client's assets held in each of the accounts that the Client opens with the Custodian (as defined below) through the Portfolio Manager's platform during the term of this Agreement (each an "Account" and collectively the "Accounts"), with full power to supervise and direct the investment of the assets in the Accounts (the "Account Assets") as provided for herein. The Client acknowledges that all investment actions taken by the Portfolio Manager pursuant to this Agreement are binding upon the Client. The Client acknowledges that the services provided by the Portfolio Manager are limited in scope to the portfolio management of assets in the Accounts and that the Portfolio Manager is not providing tax, legal, or accounting advice.

## **Ownership**

2. The managed account(s) (the "Account") is or will be registered in the name(s) of the Client. Where the Account is registered in the name of more than one individual, the Portfolio Manager is entitled to accept instructions from any one of such individuals or his or her legal representative without notice to, or the consent of, any other individual.
3. The Accounts are held by in the Clients name at CI Investment Services Inc. or its duly appointed agents acting as securities broker and custodian (the "Custodian") and will hold, control and administer all securities and cash in the account ("Account Assets").

## **Authority**

4. The Portfolio Manager shall be authorized to exercise the following powers for and on behalf of the client and each Account:
  - a. To establish the Account in the name of the Client. Furthermore, the Client authorizes our designated employees to act in connection with the operation and investment management of the Account.
  - b. To construct for the Account, portfolio(s) of appropriate investments and manage the portfolio(s) within the terms and stated objectives, risk tolerance, and other considerations as determined from the account application completed by the Client. This may be complemented by any additional information provided by the Client. The management of the portfolio and its investments may be changed from time to time, giving consideration to:
    - market conditions,
    - the funds available in the account,
    - any other relevant considerations based on the Portfolio Managers opinion, acting in good faith.

- c. To manage Account Assets in line with the portfolio constructed as well as the investment objectives, risk tolerance, and other considerations included in the Account application.
  - d. To make all investment decisions in respect of the Account Assets and to otherwise manage the Account Assets and direct the Custodian to invest or reinvest any money or assets at any time, in any market, using any dealer, held in or for an Account in such securities or other investments as the Portfolio Manager may in its sole discretion determine which includes:
    - to purchase, sell and otherwise trade in securities;
    - to invest such portion of the Account Assets in cash or cash equivalents as Portfolio Manager from time to time may deem to be in the best interests of an Account;
    - to buy or sell securities denominated in foreign currencies or conduct foreign exchange transactions on behalf of an Account or to enter into such transactions with counterparties;
    - to manage all or any part of the Account Assets;
    - to instruct the Custodian to settle any transactions as are directed by the Portfolio Manager;
    - to negotiate the applicable terms, commissions and charges with such dealers and brokers;
    - to act as power of attorney with full power and discretion to exercise voting rights and take corporate actions, as may be required of a security holder, or which such security holder is legally entitled to take, relating to each security held in an Account; and
    - to update the Client of any transactions on a regular basis, the prior approval of any such transaction is not required to initiate any transaction.
  - e. To submit to the Custodian funding and withdrawal instructions provided by the Client in relation to managing transfers between the Account and the Client's bank account on record with the Custodian or Client's existing financial institution.
  - f. To instruct the Custodian to pay management fees from the Account upon direction from and payable to the Portfolio Manager. This authorization covers the Account(s) opened now and at a later date and will remain in effect unless notified otherwise.
  - g. Perform any and all other acts as may be in its judgment necessary or appropriate for the management of the Account, or are necessary to enable the Portfolio Manager to carry out its obligations under this Agreement without obtaining the prior approval or direction of the Client.
5. The Portfolio Manager will manage investments of the Client in a method consistent with Paragraph 4 of the Agreement, as well as the investment objectives, risk tolerance, and other considerations set out in the Account application and any updates.

**Confidentiality**

6. The Portfolio Manager will collect such personal information from its clients, including the Client, as it deems necessary or advisable in its discretion in order to: (i) discharge the Portfolio Manager's obligations under applicable law, including the AML Rules, (ii) perform a suitability assessment of the Client in compliance with applicable securities laws, and (iii) perform its obligations pursuant to this Agreement. All personal information received by the Portfolio Manager will be treated in accordance with the Portfolio Manager's Privacy Policy, which can be found here.
7. Unless authorized by the Client, the Portfolio Manager shall not disclose or appropriate for its own use, or for the use of any third party, at any time during or subsequent to the term of this Agreement, any confidential information of the Client of which it becomes informed during such period, except as required in connection with the Portfolio Manager's performance of this Agreement, or as otherwise provided herein, or as required by a court or governmental authority. The Client agrees the Portfolio Manager may disclose such information to the Portfolio Manager's affiliated companies and external service providers, for the purpose of maintaining or administering the Account.
8. Subject to the foregoing, the Portfolio Manager will use its best efforts to ensure that it does not disclose such confidential information to unauthorized parties.

#### **Indemnity**

9. The Client agrees to indemnify and hold the Portfolio Manager, its officers directors, employees (including Advising Representative), or shareholders and their respective affiliates and associates, harmless and to release such parties from any and all damages, actions, causes of action, debits, charges, expenses, or other losses arising out of the operation of the Account provided that such operation of the Account does not involve any act of fraud, willful misconduct or negligence on the part of the Portfolio Manager.

#### **Statements**

10. The Portfolio Manager will provide the Client with monthly and annual statements of the Account. The statements will include holdings, transactions, fees and performance.

#### **Fees**

11. In consideration of the services to be rendered by the Portfolio Manager, the Client shall pay to the Portfolio Manager a fee with respect to each Account (the "Investment Management Fee"), as outlined in Schedule C.
12. Fees will be calculated and accrued on a daily basis based on the market value of the Account, and will be debited monthly, in arrears.
13. The Portfolio Manager may amend Schedule C, in its sole discretion, with 60 days' prior written notice to the Client.
14. The Portfolio Manager is hereby authorized to collect any Investment Management Fees directly from the applicable Account Assets. Additionally, the Portfolio Manager may sell or, if necessary, instruct the Custodian to sell, such Account Assets as are required to pay such Investment Management Fees. Investment Management Fees are subject to either the federal or harmonized sales tax, as applicable.
15. The Client may have entered into an arrangement with a dealing representative at an affiliated dealer, Assante Capital Management Ltd. or Assante Financial Management Ltd., whereby the Client has agreed to pay the dealing representative a fee (the "Service Fee"). If the Client directs the Portfolio Manager to do so,

the Portfolio Manager is hereby authorized to collect the Service Fee directly from the applicable Account Assets and remit it to Assante Capital Management Ltd. or Assante Financial Management Ltd., in accordance with Schedule C. The client may withdraw such direction at any time.

### **Amendment**

16. The terms of this Agreement may be amended by the Portfolio Manager upon 60 days' notice to the Client.

### **Termination**

17. This Agreement shall remain in force until terminated by either party without cause. All applicable Fees will be assessed and payable on termination. Termination by Portfolio Manager will be effective on the date specified in the termination notice. This date will not be earlier than 10 days from the delivery of the notice by email to the Client's last email address appearing in the records of the Portfolio Manager or via the Assante Connect portal. Termination by the Client will be effective upon Portfolio Manager's receipt of the written termination notice by email or through the Assante Connect portal except with respect to any transaction(s) entered prior to notice. Notwithstanding such termination, adequate provision will be made for the proper settlement of all outstanding commitments. No refund of any Fee previously paid shall be payable upon termination of this Agreement by the Client. For greater certainty, receipt by the Portfolio Manager and/or the Custodian of acceptable account transfer documentation, whether written or electronic, may, in the sole discretion of the Portfolio Manager, be deemed to constitute effective written notice of termination of this Agreement.

### **Assignment**

18. This agreement is non-assignable by the Client. The Portfolio Manager may sell, assign, transfer or hypothecate its right or interests created under this Agreement on 60 days' prior notice to the Client.

### **Representation and Warranties**

19. The Client represents and warrants that:

- he or she understands the terms of this Agreement and has authority to enter into the Agreement;
- he or she has been provided with a copy of the completed Agreement;
- he or she acknowledges that the Portfolio Manager is relying on the acknowledgments, representations, and warranties set out in this document;
- he or she has been advised, that in order to ensure fairness, the allocation of investment opportunities between managed accounts, which such investment opportunities are suitable or appropriate for will be made in accordance with Fair Trade Allocation Policy (Schedule A);
- the considerations in the Account application and any updates are, and will continue to reflect, the true mandate that the Portfolio Manager is to manage the investments of the Client; and
- he or she accepts the responsibility to inform the Portfolio Manager of any material change, and to advise the Portfolio Manager of any legal and/or contractual restrictions imposed both in terms of the Client's trading in securities, and/or the Client's deposited securities.

20. All notices or other communications required or permitted to be given by one party to the other will be given in writing via Assante Connect's Website, by email or personal delivery or by prepaid regular mail as follows:

- to Assante Connect's website at [www.assanteconnect.com](http://www.assanteconnect.com) via the a client portal, via email address for the Portfolio Manager and by mail to Suite 490, 1122 Mainland Street, Vancouver, BC V6B 5L1, Fax: 888 373 7674, or an address that the Portfolio Manager may give, in writing, to the Client, from time to time.
- to the Client through the Client's portal on Assante Connect's website at [www.assanteconnect.com](http://www.assanteconnect.com), the email address and mailing address the Client may give, in writing, to the Portfolio Manager, from time to time.

Such notices or other communication are considered received when personally delivered or within three business days after mailing, emailing or submitting via website. In the event that regular postal service is interrupted due to postal strike or other event, notice of other communication is considered delivered three business days after regular postal service is restored.

### **Enurement**

21. The terms of this Agreement will be binding upon and ensured to the benefit of the heirs, executors, administrators, and successors (as the case may be) of the Client, and to the successors and assigns of the Portfolio Manager.

### **Governing Law**

22. This Agreement will be construed and interpreted in accordance with the laws of the applicable province and each party hereby agrees to such provincial jurisdiction.

### **Standard of Care**

23. The Portfolio Manager shall, in carrying out its obligations under this Agreement, act honestly, in good faith and in the best interests of the Client and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in similar circumstances. Notwithstanding the foregoing, the Client understands and agrees that the Portfolio Manager does not represent and cannot guarantee performance results for the Account.

24. The Client understands that there are risks attached to the Portfolio Manager's investment of the Account in securities, including various market, currency, economic, political and business risks. The Client agrees that the Portfolio Manager will not be liable to the Client for any loss that the Client may suffer as a result of the Manager's good faith decisions or actions where the Manager exercises the care, diligence and skill expected of a reasonably prudent portfolio manager.

### **Entire Agreement**

25. The term "this Agreement" refers to this Agreement and the schedules hereto and includes any agreement, schedule, or instrument supplementary or ancillary. Which include: Schedule A, Schedule B, Schedule C, Client Relationship Disclosure Statement.

26. In this Agreement, unless the context requires otherwise, words importing the singular include plural and vice versa and words importing the neutral gender include the masculine and feminine genders, and vice versa.

27. This Agreement constitutes the entire agreement between the parties and supersedes and replaces all prior negotiations, written or oral understandings, and agreements made between the parties.
28. Unless in writing, and signed by a designated officer or director of the Portfolio Manager and by or on behalf of the Client, no waivers, modifications, or the alterations of terms of this Agreement will be binding upon either party.

**SCHEDULE "A"**

**Fair Trade Allocation Policy**

The Portfolio Manager has in place a fairness policy (the "Policy"), which discusses the procedures for the fair treatment of all clients of the Portfolio Manager, with respect to the allocation of investment opportunities.

The Portfolio Manager manages client accounts in accordance to specified investment models.

The Portfolio Manager will allocate investment opportunities that are suitable for client accounts. In determining the suitability of each investment opportunity to a client account, consideration will be given to a number of factors, which include but are not limited to:

- a) the client's stated investment objectives and strategies;
- b) investment merits;
- c) the account's existing portfolio composition; and,
- d) the target allocations of the models.

When an investment opportunity is suitable for two or more client accounts, the Portfolio Manager will allocate such an investment opportunity on a pro rata basis. Each account involved will receive a percentage of the executed portion of the order based upon such account's percentage participation in the entire order. This procedure applies to all accounts participating in the trade falling under the same trading deals. Calculating the average price of all executions taken, as well as the expenses incurred pursuant to the particular order, will determine the security selling or purchase price, and the transaction costs incurred upon the trade. There may be circumstances where the automatic pro rata apportionment will be inappropriate. Should such a circumstance arise, an allocation will be determined by the Portfolio Manager on a fair and reasonable basis.

Client accounts, which are managed in accordance to a model portfolio, will maintain the investment composition of the applicable model. The Portfolio Manager will group similar client accounts, based on the client's investment objectives and strategies, to be managed in line with similar models. The Portfolio Manager reviews and approves all allocations.

The Policy applies to all client accounts managed by the Portfolio Manager and is continuously monitored, reviewed, and updated on a periodic basis.

## SCHEDULE "B"

### Proxy Voting Policy

The Portfolio Manager will generally abide by the Proxy Voting Policies of the funds and financial instruments that it recommends to its clients. In the event that the Portfolio Manager is sent proxy-voting material on behalf of the client, the Portfolio Manager recognizes its rights and responsibility to exercise voting rights in the best interests of its clients. This can sometimes mean voting proxies against proposals that, in our opinion, are likely to decrease shareholder value. The Portfolio Manager takes a holistic, long-term view of shareholder value, understanding that resolutions that may have short-term costs (and thus decrease the value temporarily) can be beneficial to the long-term health of the corporation.

When the Portfolio Manager receives proxy-voting materials relating to a meeting of security holders of an issuer, the Portfolio Manager records and keeps on record proxy voting information that includes:

- The name of the issuer
- The meeting date
- A list of the items to be voted on
- Who proposed the items
- If and how the Portfolio Manager voted
- Whether the Portfolio Manager voted with or against management

If the Portfolio Manager decides to vote, the proxy is completed and signed by the portfolio manager who is voting the shares. The Portfolio Manager will record all information concerning how it voted.

To exercise the vote, the Portfolio Manager may either:

- Sign the proxy, retain one copy on file and send the original to the company; or
- Whenever possible, vote via [www.proxyvotecanada.com](http://www.proxyvotecanada.com) by using the control number on the proxy, recording the vote on the web form and retaining a record of the vote.

### Proxy Voting Records

The Portfolio Manager proxy voting records are posted within 30 days of the result of the vote and can be accessed by the clients via their dashboard.



## SCHEDULE "C"

### Fee Agreement

Assante Connect will charge the Client an annual Investment Management Fee of 0.40% per annum based on the assets in your Account, plus applicable taxes, in accordance with the terms below.

The Investment Management Fee will be inclusive of the following costs incurred by the Account:

- a. Annual account administration fees; and
- b. Trading commissions.

The Investment Management Fee does not include fees associated with account closures or transfers out, or other administrative fees charged by our Custodian, CI Investment Services Inc., an affiliate of Assante Connect.

The Client may have entered into an arrangement with an affiliated dealing representative at Assante Financial Management Ltd. or Assante Capital Management Ltd., whereby the Client has agreed to pay the dealing representative a fee (the "Service Fee") of up to 1.00% per annum calculated as a percentage of the value of the assets in the Account, plus applicable taxes, in accordance with the terms below. The Service Fee shall be calculated daily based on the value of the assets in the Account. As directed by the Client, Assante Connect will withdraw the Service Fee, plus applicable taxes, from the Account within 45 days following the last business day of the month and pay the Service Fee, plus applicable taxes to the dealer. The fee calculation will start following the account opening date. The account opening date will be defined as the date of the initial deposit.

Fees will also be due when the Client requests a full withdrawal or transfer out.

The Client will additionally incur the fees embedded in the exchange-traded funds purchased on the client's behalf. Assante Connect does not earn or receive any portion of that fee. However, as disclosed in the Relationship Disclosure Statement, those fees are paid to our affiliates, CI Investments Inc.

## Relationship Disclosure

Securities legislation in Canada requires Assante Connect, a division of WealthBar Financial Services Inc. ("WealthBar", "Assante Connect", "we", "us", "our") to make certain disclosures to you, our client, in a prescribed format. We understand that not all information presented here will apply to your personal circumstance or your relationship with us.

### 1. ABOUT ASSANTE CONNECT

WealthBar is registered as a restricted portfolio manager across all Canadian jurisdictions in the category of portfolio manager with its primary regulator the British Columbia Securities Commission ("BCSC") and carries on business as Assante Connect. WealthBar is a subsidiary of CI Financial Corp. ("CI Financial"), a public company whose shares are traded on the Toronto Stock Exchange. A number of shares of CI Financial may be held by employees and agents who work within Assante Connect and other members of the CI Financial organization. CI Financial is also a direct or indirect principal shareholder of the following dealers or advisers (individually, a "Related Registrant").

Assante Financial Management Ltd.	CI Investments Inc. (“CI Investments”)
Assante Capital Management Ltd.	Lawrence Park Asset Management Ltd.
CI Global Investments Inc.	CI Investment Services Inc.
Grant Samuel Funds Management PTY Limited	Marret Asset Management Inc.
CI Private Counsel LP	

**2. BUSINESS ACTIVITIES**

Assante Connect provides online portfolio management of client assets and, as needed, investment advice delivered by appropriately registered employees and agents of Assante Connect (collectively “representatives”). Assante Connect provides online portfolio management services which it is authorized to engage in.

**3. KNOW YOUR CLIENT AND SUITABILITY OBLIGATIONS**

As a registered portfolio manager, Assante Connect has an obligation to assess whether a purchase or sale of securities is suitable for you prior to advising you. In order to assess suitability, Assante Connect is required to obtain and remain current with certain client information. We consider factors such as your investment objectives and time horizon, risk tolerance and your personal and financial circumstances, including your annual income, net worth, attitude to volatility and whether you are an “insider” of a public issuer, referred to as know your client (KYC) information. This KYC information is collected when you apply for a new account. Assante Connect is also required to comply with legislation governing identity verification and anti-money laundering. In this regard, Assante Connect must: establish, verify and document the identity of all clients and any person who has control over the account, and obtain sufficient personal and financial information to make a determination as to beneficial ownership.

**4. PRODUCTS AND SERVICES**

A client’s asset mix will be formulated using KYC information to recommend a suitable investment portfolio that is tailored to a client’s unique investment objectives and risk tolerance. Upon completion of the questionnaire, Assante Connect shall prepare and implement the investment plan set out in an Investment Policy Statement (“IPS”).

**1. Investment Products**

Assante Connect invests client money primarily in securities of exchange-traded funds “ETFs” managed by our Related Registrants. CI, and if deemed appropriate, Assante Connect may also invest client money in cash equivalents or other securities. These investments are not guaranteed and there can be no assurance that the investment will be able to maintain its net acquisition value or to produce projected income. By favouring ETFs managed by our Related Registrants, we have not considered other securities that may have characteristics, such as cost structure or past performance, similar or superior to the ETFs managed by our Related Registrants.

**5. ACCOUNT REPORTING**

Assante Connect shall deliver a statement containing transactions and a valuation of all securities and cash balances held in each account, at a minimum in each calendar quarter during the year for the term of this agreement. If requested by the client, Assante Connect will also deliver a statement on a monthly basis. In addition to Assante Connect statements, the client may also receive from their Custodian a statement detailing transactions and holdings in each custodial account of the client at a frequency to be determined between the Custodian and the client. At any time, clients can obtain account information and reporting online. Assante Connect's online account portal provides detailed information of daily account activity, holdings, and the ability to download statements and annual tax receipts among other features.

### 6. ACCOUNT OPERATING COSTS

Certain costs and/or fees associated with the custody and operation of your managed account including the Custodial fees, trading fees, annual account administration fees, registration fees (for TFSA and RRSP, Spousal RRSP, LIRA, RIF & LIF subject to account minimum) and deregistration fees are paid by the Portfolio Manager and included in the management fee you pay. Additional administrative fees, if applicable, are paid by you to the Custodian this includes fees associated with account closure and transfers out. These fees are detailed in the Administrative Fee schedule available on the Custodian's website: <https://virtualbrokers.com/en/admin-fees>.

### 7. CONFLICT OF INTEREST DISCLOSURE

Under securities regulations, Assante Connect is required to identify material conflicts of interest which are expected to arise between Assante Connect (including each individual, acting on its behalf) and its clients. Furthermore, if a reasonable investor would expect to be informed of the nature and extent of an identified conflict of interest, Assante Connect must do so. The purpose of this disclosure is to provide you with a description of such conflicts and the measures Assante Connect has taken to prevent, avoid, or mitigate such conflicts.

The general types of conflicts of interest which can arise are:

- Conflicts of interest between you and us;
- Conflicts of interest between you and our other clients; and
- Conflicts of interest between us and our related and associated companies and issuers.

Conflicts of interest are inherent in the financial services industry. Our goal is to address conflicts in a fair, equitable and transparent manner, consistent with the best interest of our clients. We will try to avoid conflicts where possible, and in all other cases either disclose the conflict, or manage it through internal controls and policies. Conflicts deemed too significant to be addressed through controls or disclosure will be avoided. Disclosures will be made in a timely, meaningful and prominent manner. In this regard you should be aware of the potential for the following conflicts to arise:

#### 1. Outside Business Activity

You should be aware that some directors, officers and registered advisors may engage in business activities that are outside Assante Connect's securities related business activities and are not part of Assante Connect's business, if those individuals have received approval from us to engage in such activity.

#### 2. Employees, Officers, And Directors

Some of the employees, officers and directors of Assante Connect may also be employees, officers and/or directors of affiliates, and may also be officers or directors of public companies.

### 3. Referral Arrangements

Assante Connect may enter into referral arrangements with affiliated and non-affiliated registrants, some of whom are related registrants to Assante Connect, so that Assante Connect may provide portfolio management services to referred clients. In such instances, Assante Connect may pay a referral fee to the referrer. The percentage referral fee is a negotiated amount between the referrer and Assante Connect. Irrespective of the referral amount paid by Assante Connect to the referring agent, any investment management fee paid by the client remains the same.

### 4. Service Arrangements

You may enter into service arrangements with affiliated and non-affiliated registrants, some of whom may be related registrants to Assante Connect, so that you may receive, among other things, financial planning advice or tax planning services. Subject to your direction, Assante Connect may collect from your account and pay a fee to the service provider. If you enter into a service arrangement and direct Assante Connect to pay a fee to a third party service provider, this fee will be in addition to the investment management fee.

### 5. Related Party Securities

In the course of providing discretionary investment management services to clients, Assante Connect may purchase, sell and advise clients in securities where the issuer of the securities or the other party to the transaction may be affiliated or related to Assante Connect. Since these transactions may create a conflict or the appearance of a conflict between Assante Connect's interests and the client's, we are required by securities laws to disclose certain relevant information relating to the transactions. Please refer to the Statement of Policies Concerning Related and Connected Issuers and Registrants in Section 12 of the Relationship Disclosure for a general description of Assante Connect's policy in this regard. The most updated list of related and connected issuers is available on our website at <https://www.assanteconnect.com/relationship>.

## 8. HANDLING CLIENT COMPLAINTS

If you have a complaint about our services or a product, contact us at:

Attention: Neville Joanes  
WealthBar Financial Services Inc.  
Suite 490 - 1122 Mainland Street, Vancouver, BC V6B 5L1  
Telephone: 888-373-7674  
Fax: 888-373-7674  
[info@assanteconnect.com](mailto:info@assanteconnect.com)

Tell us:

- What went wrong
- When it happened
- What you expect, for example, money back, an apology, account correction

We will acknowledge your complaint:

- We will acknowledge your complaint in writing, as soon as possible, typically within 5 business days of receiving your complaint.

- We may ask you to provide clarification or more information to help us resolve your complaint

Help us resolve your complaint sooner:

- Make your complaint as soon as possible.
- Reply promptly if we ask you for more information.
- Keep copies of all relevant documents, such as letters, emails and notes of conversations with us.

We will provide our decision. We normally provide our decision in writing, within 90 days of receiving a complaint. It will include:

- A summary of the complaint
- The results of our investigation
- Our decision to make an offer to resolve the complaint or deny it, and
- An explanation of our decision

If our decision is delayed. If we cannot provide you with our decision within 90 days, we will:

- Inform you of the delay
- Explain why our decision is delayed, and
- Give you a new date for our decision

You may be eligible for the independent dispute resolution service offered by the Ombudsman for Banking Services and Investments (OBSI).

If you are not satisfied with our decision you may be eligible for OBSI's dispute resolution service.

**If you are a Québec resident:** You may consider the free mediation service offered by the Autorité des marchés financiers. Telephone: 1-877-525-0337

**A word about legal advice** You always have the right to go to a lawyer or seek other ways of resolving your dispute at any time. A lawyer can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights later on.

### 1. Taking your complaint to OBSI

You may be eligible for OBSI's free and independent dispute resolution service if:

- We do not provide our decision within 90 days after you made your complaint, or
- You are not satisfied with our decision
- OBSI can recommend compensation of up to \$350,000.
- OBSI's service is available to clients of our firm. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

## 2. Who can use OBSI

You have the right to use OBSI's service if:

- Your complaint relates to a trading or advising activity of our firm or by one of our representatives
- You brought your complaint to us within 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint, and
- You file your complaint with OBSI according to its time limits below
- Time limits apply

If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended.

If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI.

## 3. Filing a complaint with OBSI

**Contact OBSI** Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

**OBSI will investigate** OBSI works confidentially and in an informal manner. It is not like going to court, and you do not need a lawyer. During its investigation, OBSI may interview you and representatives of our firm. We are required to cooperate in OBSI's investigations.

**OBSI will provide its recommendations** Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not binding on you or us. OBSI can recommend compensation of up to \$350,000. If your claim is higher, you will have to agree to that limit on any compensation you seek through OBSI. If you want to recover more than \$350,000, you may want to consider another option, such as legal action, to resolve your complaint.

**Information OBSI needs to help you** OBSI can help you best if you promptly provide all relevant information, including:

- Your name and contact information
- Our firm's name and contact information
- The names and contact information of any of our representatives who have been involved in your complaint
- Details of your complaint
- All relevant documents, including any correspondence and notes of discussions with us

For more information about OBSI, visit [www.obsi.ca](http://www.obsi.ca)

## 9. NOTICE OF NON-RESIDENCY

Please note our company's head office is located in Vancouver, British Columbia. To the extent that you are not a resident of the Province of British Columbia we must inform you that in some cases your legal rights may not be enforceable in your local jurisdiction. The name and address of our agent for service of process in your jurisdiction is available on request by contacting our Chief Compliance Officer, at Assante Connect, 490 - 1122 Mainland Street, Vancouver, B.C., V6B 5L1.

## 10. INVESTMENT RISK DISCLOSURE

The following is a summary of the risks of investing. Please note that this list is not exhaustive, and has been provided as an indication of the factors that can affect the value of your investments.

### 1. Equity Risk

Investment in stocks and equity products can be affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise. However, share prices will usually decline in times of general economic or industry downturn. The price of equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the value of the overall stock market because of changes in outlook for those individual companies or the particular industry.

### 2. Short Selling Risk

Short selling strategies can provide an investor with an opportunity to manage volatility and enhance performance in declining or volatile markets. Short selling securities involves risk because there is no assurance that securities will sufficiently decline in value during the period of the short sale to offset the interest paid by the investor and make a profit for the investor. Securities sold short may instead increase in value. The investor may also experience difficulties repurchasing and returning the borrowed securities. The borrowing agent from whom the investor has borrowed securities may go bankrupt and the investor may lose the collateral it has deposited with the borrowing agent.

### 3. Credit Risk

Credit risk is the risk that the government, company or special purpose vehicle (such as a trust) issuing short-term (sometimes called commercial paper) or long-term fixed income security will be unable to make interest payments or pay back the principal. Securities that have a low credit rating have high credit risk. Lower-rated debt securities issued by companies or governments in developing countries often have higher credit risk. Securities issued by well-established companies or by governments of developed countries tend to have lower credit risk. The market value of a debt security can be affected by a downgrade in the issuer's credit rating, a change in the creditworthiness, or perceived creditworthiness, of the issuer or, in the asset-backed commercial paper, any assets backing the security. Accounts that invest in or have exposure to companies or markets with high credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

### 4. Interest Rate Risk

The value of investments in, or that have exposure to bonds, mortgages and other income-producing securities is primarily affected by changes in the general level of interest rates. Bonds generally pay interest based on the level of rates when the bonds were issued. When interest rates fall, the price of bonds generally rises. That is because existing bonds pay higher rates than new ones, and are therefore in greater demand and worth more. On the other hand, when interest rates rise, bond prices generally fall, reducing the value of investments that hold them.

## 5. Inflation Risk

The risk of decline in the purchasing power of your savings due to a general rise in prices.

## 6. Foreign Currency Risk

Changes in the value of the Canadian dollar compared to a foreign currency or the imposition of foreign exchange controls will affect the value, in Canadian dollars, of any securities with foreign currency exposure. For example, if the U.S. dollar rises in value relative to the Canadian dollar, U.S. stocks held will be worth more in Canadian dollars, on the other hand, if the U.S. dollar falls, any U.S. holdings will be worth less in Canadian dollars.

## 7. International Markets Risk

Investments in securities of foreign issuers are subject to additional risks as compared to domestic securities:

- The economic environment or the particular economic and political factors of the country or geographic region in which the foreign issuer operates may impact the value of its securities.
- Certain foreign countries may have different accounting, auditing and financial reporting standards for issuers of securities, making their securities difficult to evaluate.
- There may be less information publicly available about a foreign issuer than about a Canadian or U.S. issuer, and the quality of the information may be less reliable.
- Volume and liquidity in some foreign stock and bond markets are less than in Canada and the U.S. and, at times, price volatility can be greater than in Canada and the U.S.
- Stock exchanges, listed companies and investment dealers in foreign countries may be less regulated than in Canada and the U.S.
- Political and social instability, restrictions on the movement of capital and the threat of expropriation can affect the value of investments in less developed countries.

## 8. Liquidity Risk

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities can be sold easily and at a fair price. In highly volatile markets, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, or certain other features such as guarantees or a lack of buyers interested in the particular security or market. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the investor to losses or additional costs. Difficulty in selling securities may result in a loss or reduced return for a client.

## 9. Borrowing Risk

The use of leverage may not be suitable for all investors. Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If an investor borrows money to purchase securities, the investor's responsibility to repay the loan and pay interest as required by the terms of the loan remains the same even if the value of the securities purchased declines.

## 10. Derivatives Risk



Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with traditional securities such as stocks and bonds, are subject to a number of risks, and may be highly illiquid and their use could result in a loss of more than the principal amount invested. Some common risks of hedging with or investing in derivatives are:

- interest rate risk and market risk;
- the risk of mispricing or improper valuation;
- the risk that changes in the value of the derivative may not correlate perfectly with the underlying reference security;
- in over-the-counter transactions, the risk that the counterparty may not honour its obligation;
- there is no guarantee that the derivative will be bought or sold at the right time to make a profit or limit a loss, nor that the other party to the contract will meet its obligations. Additionally, if the other party goes bankrupt, the investor could lose any deposits made or assets pledged in favour of the other party under the contract;
- there is no guarantee that a hedging strategy will always work, as the elements that determine the value of a derivative may change in a manner that is contrary to the intent of the hedge;
- hedging will not always offset a drop in the value of a security and hedging can prevent the portfolio from making a gain it otherwise may have made; and
- the portfolio may not be able to create an effective hedge against an expected change in a market if most other people expect the same change.

The client acknowledges that the Portfolio Manager or its sub-advisers may from time to time employ the use of derivatives as part of its trading strategy, but derivatives will only be used to the extent the Portfolio Manager or its sub-advisers are permitted by securities regulations.

### **11. Regulatory Risk**

Certain issuers involved in specifically regulated industries, such as energy or telecommunications, may experience an adverse impact on revenues or costs as a result of compliance with the relevant regulatory requirements. In addition, issuers in regulated industries may require permits and approvals before commencing projects. Delays or rejections of those proposed plans would hinder the issuer's growth and increase its costs.

### **12. Suspension of Trading Risk**

Securities exchanges typically have the right to suspend or limit trading in an instrument traded on the exchange. A suspension would render it impossible to liquidate positions and could expose investments to potential losses.

### **13. Capital Depreciation Risk**

Some investment funds and series of funds aim to distribute a high level of income. In certain situations, such as periods of declining markets or increases in interest rates, a fund may make distributions that include a

return of capital. Return of capital distributions should not be confused with an issuer's performance, rate of return, or yield. If distributions paid by the issuer are greater than the performance of the issuer, then your original investment will shrink. Distributions paid as a result of capital gains realized by an issuer and income and dividends earned by an issuer are taxable in your hands in the year they are paid. Your adjusted cost base will be reduced by the amount of any returns of capital. If your adjusted cost base goes below zero, then you will have to pay capital gains tax on the amount below zero.

#### 14. Concentration Risk

Securities regulatory authorities permit some investment funds to have more of their net assets invested in or exposed to one or more issuers than is usually permitted under Canadian securities legislation. Account investment objectives may permit concentration in one or more issuers. A relatively high concentration of assets in, or exposure to, a single or small number of issuers may reduce the diversification and/or liquidity of an account, and increase its volatility. Reduced liquidity, in the case of a fund, may reduce a fund's ability to satisfy redemption requests.

#### 15. Exchange Traded Fund Risk

ETFs are securities that closely resemble index funds, but can be bought and sold like common stocks:

- an ETF may fail to accurately track the market segment or index that underlies its investment objective;
- the market price of an ETF units may trade at a discount to its net asset value;
- an active trading market for an ETF's units may not develop or be maintained; and
- there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.

### 11. FAIRNESS IN ALLOCATION OF INVESTMENT OPPORTUNITIES

Assante Connect confirms that in the event that securities are purchased for the managed accounts of more than one client of Assante Connect as part of a block trade and an insufficient number of securities is available to satisfy the purchase order, the securities available will be allocated to the extent possible pro rata to the size of each clients' accounts taking into consideration the Investment Policy Statement of each client. Therefore, where appropriate, when aggregating orders, and allocating block purchases and block sales, it is our policy to treat all clients fairly and to achieve an equitable distribution of block orders. When trades are blocked, prices and trade execution costs will be allocated on a pro rata basis so that each client receives the benefit of the same price and trade execution rate.

We have in place a fairness policy (the "Policy"), which discusses the procedures for the fair treatment of all clients, with respect to the allocation of investment opportunities. Assante Connect manages client accounts in accordance to specified investment models. We will allocate investment opportunities that are suitable for client accounts. In determining the suitability of each investment opportunity to a client account, consideration will be given to a number of factors, which include but are not limited to:

- the client's stated investment objectives and strategies;
- investment merits; the client account's existing portfolio composition; and,
- the client account's existing portfolio composition; and,

- o the target allocations of the models.

When an investment opportunity is suitable for two or more client accounts, Assante Connect will allocate such an investment opportunity on a pro rata basis. Each account involved will receive a percentage of the executed portion of the order based upon such account's percentage participation in the entire order. This procedure applies to all accounts participating in the trade falling under the same trading deals. Calculating the average price of all executions taken, as well as the expenses incurred pursuant to the particular order, will determine the security selling or purchase price, and the transaction costs incurred upon the trade. There may be circumstances where the automatic pro rata apportionment will be inappropriate. Should such a circumstance arise, an allocation will be determined by us on a fair and reasonable basis. Client accounts, which are managed in accordance to a model portfolio, will maintain the investment composition of the applicable model. We will group similar client accounts based on the client's investment objectives, and strategies to be managed in line with similar models. We review and approve all allocations.

## 12. STATEMENT OF POLICIES CONCERNING RELATED & CONNECTED ISSUERS AND REGISTRANTS

Securities legislation requires a dealer or advisor to disclose to its clients if it has any principal shareholders, officers, partners or directors who are also principal shareholders, officers, partners or directors of another securities registrant. As well, the dealer or advisor must provide to its clients, details of the policies and procedures adopted to minimize the potential for conflict of interest resulting from these relationships. In this regard Assante Connect is providing the following relationship disclosure:

### 1. List of Related Issuers

A "related issuer" means a person or company that influences, or is influenced by, another person or company.

A "connected issuer" is a company that has a business relationship with Assante Connect that, in connection with a distribution of securities of the issuer, is material to a prospective purchaser of the securities.

Assante Connect, from time to time, may be deemed to be related or connected to one or more issuers for purposes of disclosure. Assante Connect may have acted or is prepared to continue to act as an advisor or exempt market dealer with respect to securities of such related or connected issuers and to provide the full range of services customarily provided in respect of the securities of the issuer. Assante Connect will carry out such services in the ordinary course of its business in accordance with its usual practices and procedures and with all applicable regulatory requirements.

1. Where Assante Connect acts as a portfolio manager it will, before acquiring discretionary authority in respect of the securities of a related issuer or, in the course of a distribution of a connected issuer, disclose the relationship to the client.
2. Where Assante Connect advises a client in respect of the securities of a related issuer or, in the course of a distribution, of a connected issuer, Assante Connect will in writing inform the client of the existence of the relationship prior to advising the client. For this purpose, this notice is written confirmation of Assante Connect's relationship with CI and the products and services offered through CI and its subsidiaries including CI and the funds managed by such firms.
3. Revisions or amendments to this statement will be provided to each client in accordance with applicable law. A complete list of all related and connected issuers, registrants and funds managed by these related registrants is available on our website at [www.assanteconnect.com](http://www.assanteconnect.com).

## 2. Outsourcing Arrangements

Assante Connect may enter into or have service arrangements with its related investment firms to utilize their back-office support, product, distribution services and client referrals. In addition, related registrants may include other dealers and advisors of which Assante Connect or one its affiliates becomes a principal shareholder. Each of Assante Connect and the related registrants is a separate legal entity that carries on its business independently.

Conflicts of interest resulting from related relationships described are minimized in a number of ways. Regulations, policies and procedures made by the industry regulating bodies restrict, and otherwise regulate the relationships among dealers, advisers and related registrants and govern their relationships with one another and clients. Compliance with both internal and external policies and procedures are monitored at all levels under the guidance of the Legal and Compliance Department. For further information concerning these matters; please attention the Chief Compliance Officer in a letter addressed to 490 - 1122 Mainland Street, Vancouver, BC V6B 5L1 or email to [info@assanteconnect.com](mailto:info@assanteconnect.com).