

## ***Client Relationship Disclosure***

AssetPlus Capital Inc. is registered under provincial securities legislation as a mutual fund and exempt market dealer and is a Member of the Canadian Industry Regulatory Organization (“CIRO”). Representatives of AssetPlus Capital Inc. are duly registered as mutual fund dealing representatives.

AssetPlus Capital Inc. may sell mutual funds, investment funds, working venture capital funds, GICs, and/or alternative products.

You, as a client of AssetPlus Capital Inc., are responsible for making investment decisions but may rely on the advice given to you by your representative; your representative is responsible for the advice and ensure that it is suitable based on your investment needs and objectives. AssetPlus Capital Inc. is required under securities legislations and Rules of the CIRO to ensure each recommendation made to you is suitable for you in relations to your investment objectives, risk tolerance, and other personal circumstances. This obligation to make a suitability determination applies to trades proposed by you regardless of whether or not your representative made a recommendation. Suitability will also be assessed when:

1. You transfer assets into an account at AssetPlus Capital Inc.;
2. AssetPlus Capital Inc. or your representative becomes aware of a material change in your information; or
3. When there is a change in the representative responsible for your account at AssetPlus Capital Inc.

**We do not accept cash;** your cheques should be made payable to the applicable fund company or intermediary trust company, not to the representative.

**Client Disclosure Statement and Disclosure Package** will be provided for all new accounts during the opening process and for existing clients when opening a new plan type.

**The Know Your Client (“KYC”) form** is used to collect personal information about you, including all pertinent information relating to your investment needs. This information collected allows both AssetPlus Capital Inc. and the representative to assess the suitability of your investments at AssetPlus Capital Inc. KYC terms are defined on the KYC form. Please consult the KYC form for these definitions.

### **Content and Frequency of Reporting**

#### ***Trade Confirmations:***

After the purchase or sale of a security, you will receive a confirmation of the transaction which will include the following information:

Every confirmation of trade sent to a client must set forth the following information:

1. the quantity and description of the security purchased or sold;
2. the price per security paid or received by the client;
3. in the case of a purchase of a debt security, the security’s annual yield;
4. in the case of a purchase or sale of a debt security, either of the following:
  - a) the total amount of any mark-up or mark-down, commission or other service charges AssetPlus Capital Inc. has applied to the transaction;
  - b) the total amount of any commission charged to the client by AssetPlus Capital Inc. and, if AssetPlus Capital Inc. applied a mark-up or mark-down or any service charge other than a commission, the following notification or a notification that is substantially similar:
 

*“Dealer firm remuneration has been added to the price of this security (in the case of a purchase) or deducted from the price of this security (in the case of a sale). This amount was in addition to any commission this trade confirmation shows was charged to you.”*
5. the amount of each transaction charge, deferred sales charge or other charge in respect of the transaction and the total amount of all charges in respect of the transaction;
6. the name of the dealership, AssetPlus Capital Inc.;
7. whether or not AssetPlus Capital Inc. is acting as principal or agent;
8. if acting as agent, the name of the person or company from or to or through whom the security was bought or sold;
9. the date and name of the marketplace, if any, on which the transaction took place, or if applicable, a statement that the transaction took place on more than one marketplace or over more than one day;

10. the type of the account through which the trade was effected;
11. the name of the Approved Person, if any, involved in the transaction;
12. the date of the trade;
13. the settlement date of the transaction; and
14. if applicable, that the security was issued by a related or connected issuer of AssetPlus Capital Inc.  
 This information is not required to be provided where the names of AssetPlus Capital Inc. and the mutual fund are sufficiently similar to indicate that they are affiliated or related.

**Account Statements:**

Each account statement must contain the following information:

**1. General Information.**

- a) the type of account;
- b) the account number;
- c) the period covered by the statement;
- d) the name of the Approved Person(s) servicing the account, if applicable;
- e) the name, address and telephone number of AssetPlus Capital Inc.; and
- f) as applicable, the definition of "book cost" or "original cost".

**2. Account Activity**

for each transaction made for or in respect of the client, in an account at AssetPlus Capital Inc., during the period covered by the statement:

- a) the date of the transaction;
- b) the type of transaction;
- c) the total value of the transaction;

for each transaction that is a purchase, sale or transfer made for the client, in an account at AssetPlus Capital Inc., during the period covered by the statement:

- a) the name of the investments;
- b) the number of investments; and
- c) the price per investment.

**3. Market Value and Cost Reporting**

for all investments in an account at AssetPlus Capital Inc.:

- a) as at the beginning of the period for which the statement is made:
  - i. the total market value of all cash and investments in the account; and
- b) as at the end of the period for which the statement is made:
  - i. the name and quantity of each investment in the account;
  - ii. the market value of each investment in the account and, if applicable, a notification to the client that there is no active market for the investment and that its value has been estimated. Where a value cannot be reliably determined, AssetPlus Capital Inc. must include the following notification or a notification that is substantially similar: "*Market value not determinable.*"
  - iii. the cost of each investment position presented on an average cost per unit or share basis or on an aggregate basis, and determined as at the end of the applicable period;
  - iv. the total cost of all investment positions;
  - v. the total market value of each investment position in the account;
  - vi. any cash balance in the account;
  - vii. the total market value of all cash and investments in the account; and
  - viii. the name of the party that holds or controls each investment and a description of the way it is held.

**4. Deferred Sales Charges.** Each account statement must disclose which securities may be subject to deferred sales charges if they are sold.

**5. CIRO IPC Coverage.** Each account statement must include disclosure, as established by the CIRO IPC, respecting CIRO IPC coverage.

The account statements are delivered at least once every three months.

**Compensation:** There are costs associated if you are investing in mutual funds or other products noted above. They may not all apply to your circumstances. You should read about fees in your Fund Facts and discuss fees applicable to your investments with your representative. You will receive 60 days' notice of any added or increased operating charge. The following is a brief description of some costs:

**Management Expense Ratio (MER):** represents the combined costs of two main services: investment management services provided to the fund and its investors by the fund company; and financial advice and planning services provided by the investor's representative. Management fees comprise approximately 40% of the total MER, while the dealer representative compensation comprises another 40%. The fund company's administrative costs--including legal and accounting fees, brokerage fees and interest expenses--as well as GST costs, comprise the remaining 20% of MER fees. The MER does not include the commission charged for each transaction. Some commissions, known as load fees, are negotiable with the representative. Some companies offer no-load funds, while other funds can be purchased with a declining redeemable rate.

**Commission:** is a fee that is paid to the representative via AssetPlus Capital Inc. that is received from the investment issuer for the purchase of an investment product. Commission amounts vary according to product, and options selected at the time of trade. See Sales Charge Options below.

**Trailing Commission:** is any payment related to a client's ownership of a security that is part of a continuing series of payments to a registered firm or registered individual by any party.

**Sales Charge Options:**

**Front End Load (FE):** This is the sales charge paid by you at the time of purchase.

**Deferred Sales Charge (DSC):** (also known as Back End Load) A deferred sales charge is the fee charged to investors when they redeem, or sell back, their units to the fund. This fee is usually staggered, with earlier redemptions paying a higher fee -- a policy designed to discourage early withdrawals. A typical range starts at 5% or 6% for redemptions during the first two years and decreases to 0% after seven to ten years. The redemption fee schedule given below is typical of many funds.

During the 1 <sup>st</sup> year	6.0%	During the 5 <sup>th</sup> year	4.0%
During the 2 <sup>nd</sup> year	5.5%	During the 6 <sup>th</sup> year	3.0%
During the 3 <sup>rd</sup> year	5.0%	During the 7 <sup>th</sup> year	2.0%
During the 4 <sup>th</sup> year	4.5%	Thereafter	nil

**Low Load (LL or LSC):** There is a lower fee paid at the time of purchase, and a reduced redemption fee generally applies to redemptions made after the first two years of purchase.

**No Load (NL):** There is no fee paid at time of purchase, and no fee upon redemption, however, the MER could be higher than either the front-end or back-end load MERs. Over the longer term, this could significantly decrease your returns. Speak with your representative for details.

**Short-term Trading Fees:** If you sell or switch your units within a short time from the date of purchase (e.g. 30 days), you may be charged a short-term trading fee of 2% of the amount you sell or switch. This fee is paid directly to the fund and does not apply to cash equivalent funds.

**Switch Fees:** You may be allowed to transfer from one fund to another within the same family of funds - at no cost, or for a maximum of 2% of the amount being switched.

**Fee-based Accounts:** Investment advisory fees are generated on fee-based accounts and generally paid to the advisor's firm by the fund company. The fee is negotiated between individual investors and their advisors. Please contact your advisor for further details regarding these accounts and fee structures.

**Performance Benchmarks:** Benchmark comparisons can help you determine if your investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the long term. Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indexes since the most common form of investment benchmark is an index – such as a stock or bond index. A benchmark must replicate the security or portfolio you are monitoring as closely as possible for the comparison to be meaningful. Examples of benchmarks would include the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds, and the S&P 500 for U.S. stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indexes weighted according to the portfolio's asset mix. For more information about comparing your portfolio's return to a benchmark, please don't hesitate to contact your representative.