

WE ARE ALIGNED WITH YOU

Vision Wealth was created, in part, to allow for full transparency with respect to how we work, our fees, and how we work for you. We knew we needed a clear compensation and service model that ensures every decision we make is aligned with our clients' best interests. In a financial world full of many offerings, we took the long view that putting your needs first would translate into a thriving business for us.

Choosing your wealth management team is one of the biggest decisions you will make during your lifetime, and our industry doesn't make it easy to compare apples to apples. Conflicts of interest can affect the quality and direction of the advice you receive. To align ourselves with your best interests, the following common conflicts of interest are not part of the Vision platform:

- **No sales incentives** – we are a “salary only” shop, meaning compensation is not tied to Assets Under Management (commonly referred to as AUM) or retention of assets. We do not have a bonus structure; compensation increases are based upon professional development.
- **No sales commissions** – we have one, tiered fee schedule and all fees are clearly denoted on your statements.
- **No trailer fees** – we have no hidden or embedded fees when you invest with us.
- **No referral fees** – we do not pay OR receive referral fees, we refer for excellence, not a kickback.
- **No soft dollars** – we do not accept “perks” from our suppliers, only the services we pay for.
- **No entanglements with reporting issuers** – we don't sit on boards, or have family members in senior positions, of companies we invest in.
- **No personal financial dealing with clients** – we do not act as trustees or executors or transact with clients.

On the subject of fees, we should note: If a client is charged more than other clients for the same or substantially similar products or services, this could result in Vision not treating clients fairly, honestly and in good faith. Vision manages this conflict via grandfathered existing fee schedules and our firm's established fee schedule. We have one exception to this which is a fee schedule designed to support our Community Giveback Program, where we offer our services to families who need our help, but cannot afford our help.

Subsequent to the ongoing CRM2 requirements (explained in sidebar), we have done a fulsome review of all our current procedures and practices. In addition to the items noted above, we have identified other potential conflicts that our practice is designed to avoid. For example, on the rare occasion where mutual fund investments with embedded fees are transferred into us, we do not charge management fees on those assets until they are sold and moved into our private pools unless holding them is to your advantage.

As noted above, we use a proprietary product, our private pooled funds, to reduce client costs and increase portfolio management efficiency. Our private pools do not charge additional management fees and we disclose the use of and obtain your consent to purchase these pools.

When we manage your investments, we consider which securities suit your investment objectives, and you'll own these securities through the pooled funds. We do not collect additional revenues for investing in other products. We choose what's best for you.

Our team cannot benefit from “insider knowledge” per our Code of Ethics and Conduct. All team members must clear every personal trade with our Chief Compliance Officer before acting. More to the point, our Vision team members' personal investments are also invested in our private pools alongside you. We eat our own cooking.

We believe you will find that Vision Wealth Management has been designed with your best interests in mind. Our futures are aligned with yours: when you grow, we grow. We have completed a detailed review of our conflicts of interest, the results of which is available upon request.

Should you have any questions or concerns, we are always happy to hear from you. Please contact our Chief Compliance Officer at compliance@visionwm.ca

COMPENSATION AND ALIGNMENT

Compensation and alignment in the Canadian financial services industry is murky at best. For the average consumer, trying to determine what, how and who you are paying can be a little bit like trying to figure out a Rubik's Cube: an endless array of combinations and colours where rarely all sides match up for easy comparison.

Our regulators are trying to increase transparency and awareness for all investors and introduced Client Relationship Model 2 (CRM2) in 2016.

CRM2 is a multi-step plan designed to help you understand key facets of your investments and relationships with your advisors. Some examples of key initiatives:

- Clear cost disclosure
- Improved statements
- Standardized performance reporting
- Disclosure of all potential and real conflicts of interest

FUN FACT:
The World Record for solving the Rubik's Cube is 3.47 seconds!

The latest piece in the CRM2 puzzle is a full review, required by all firms, of perceived or real conflicts. Conflict of interest can be simply defined as a situation where the firm's interests may conflict with that of the you, the investor. As an investor, it is important that you are aware of all these things. Only you can decide what is best for your hard-earned money!

OTHER POTENTIAL CONFLICTS OF INTEREST AND HOW WE ADDRESS THEM

Pricing Errors and Trade Errors

- We review all transactions daily to catch and correct errors early.
- Our pooled funds are valued weekly, and we use a third-party service provider to calculate the net asset values (known as our “NAV”) of the funds each week. Our funds are audited annually.
- We have policies that establish consistent standards for the correction of discrepancies in the calculation of our NAV in accordance with industry guidelines.
- If there is a material trading or pricing error caused by us, wherein a client or a Pooled Fund is negatively impacted, our policy is to ensure the client, or the Pooled Fund is made whole.

Related Offering

- Vision Wealth provides a holistic approach to wealth management. We believe it is imperative that we know what your financial goals are before we invest your assets. We utilize financial planning to help us, and you, determine these objectives. We do not charge any additional fees for this. Any advice on insurance will be done through insurance-licensed professionals and is optional; you are under no obligation to follow such advice.

Gifts

- There may be instances wherein Vision Wealth’s individuals may give or accept gifts or business entertainment of more than minimal value in connection with Vision Wealth’s business. This may be perceived as a conflict of interest, and we manage this by having policies in place which place limits on gift giving and has guidelines on gift acceptance.

Marketing

- Vision Wealth may have an interest in showing good performance to attract more clients. Vision Wealth controls this conflict with policies governing the production of marketing material and the use of performance data with respect to disclosure to clients and the public. Additionally, Vision Wealth does not provide marketing materials with performance details or benchmarks. Instead, clients are presented with their exact returns, using their financial planning targets as benchmarks. We think it is more important that you understand your unique rate of return, not a benchmark.

Outside Activities, Investments in Related or Connected Issuers

- Staff must report their outside activities to our Chief Compliance Officer. These activities are reviewed to ensure conflicts that may arise are managed, to avoid impairing their ability to perform duties, and avoid confusion or a situation where staff may be in a position of influence.
- None of our staff are related or connected to issuers.

Proxy Voting

- We have policies in place to govern proxy voting in our pooled funds and in client accounts so that proxies are voted in the best interests of our clients and Pooled Funds.

SOME INDUSTRY TERMS YOU SHOULD BE AWARE OF

Embedded Commissions

- Related to mutual funds and are a commission paid to an adviser or salesperson by the mutual fund company that sold the fund. You as an investor do not “see” this fee on the cost of your initial transaction.
- Embedded commissions may create an incentive to sell you a fund which would potentially not be in your best interests. We avoid this conflict by not accepting any third-party compensation.

Insider Knowledge

- A material fact about a public company’s plans or finances, yet to be revealed, that could provide an investor with an unfair advantage if acted upon.

Proprietary Funds

- Mutual funds are offered for sale by the same financial institution you are choosing to invest with, such as a bank, investment company, or brokerage firm.
- Often the funds’ names include the name of the institution such as Great Bank Growth Fund, Credit Union Dividend Fund, or Insurance Co Income Fund.
- Some institutions sell only their proprietary funds, while others offer both their own funds and third-party funds.
- Vision Wealth utilizes its own investment funds (Bamboo and Cedar) within your investment accounts. This could create a potential conflict of interest for Vision Wealth where we place our interests ahead of you. We control this potential conflict by ensuring that the utilization of the Pooled Funds within your accounts is suitable for you and places your interests first.
- The relationship between Vision Wealth and the Pooled Funds is disclosed to you and you will consent to the purchase of the funds within your managed accounts per our Letter of Engagement
- We periodically review the Pooled Funds to determine that they are comparable to other investment funds with similar mandates available outside of Vision Wealth.

Referral Fee

- A referral fee is a financial reward or incentive paid to the person or entity for recommending services or product. As noted earlier, Vision Wealth does not engage in referral arrangements.

Soft Dollars

- Soft dollars are commission payments to a brokerage firm that are used, in part, to pay for other services such as research.
- Soft-dollar transactions are frequently criticized for lacking transparency and hiding additional fees. As stated earlier, Vision Wealth does not engage in soft dollar engagements.

Trailer Fees

- An ongoing commission paid to your investment firm/advisor for the duration you own units in specific mutual funds. Vision Wealth does not accept any trailing commissions.