

# THINGS YOU SHOULD KNOW ABOUT WORKING WITH US

## WHAT IS THE PURPOSE OF THIS DOCUMENT?

The Canadian Securities Administrators, who govern our registration, require that we deliver to each of our clients a document which contains certain disclosures and identifies potential conflicts of interest that may arise between Vision Wealth Management Ltd. ("Vision Wealth®") and its clients. Here at Vision Wealth® our goal is to always act in our clients' best interests.

We will update this Relationship Disclosure Document when there are material changes to it by referring you to our website at [www.visionwealthmanagement.ca](http://www.visionwealthmanagement.ca) and provide you notice of any such changes. If you have any questions related to the contents of this document or need to change your Know Your Client information (KYC), please contact us at 604-569-0627.

## ABOUT VISION WEALTH MANAGEMENT LTD.

Vision Wealth® is registered under the securities laws of Alberta, British Columbia, Ontario, Nova Scotia and Saskatchewan as an advisor in the category of portfolio manager. Vision Wealth® is also registered as an Investment Fund Manager in British Columbia and Ontario. Vision Wealth® is an organization which provides discretionary, fee-based portfolio management services to clients and is also the portfolio manager, investment fund manager and distributor of proprietary pooled funds. Vision Wealth® is a boutique private wealth management practice.

As a licensed portfolio manager, Vision Wealth® has a fiduciary duty to always act in your best interests and place your interests first. To assist us in understanding your investment needs, and determine an appropriate investment strategy, we will collect from you, information concerning your personal and financial circumstances, your investment needs and objectives, your risk profile, your investment knowledge and your investment time horizon. We help you understand your current financial reality, clarify your future goals, and maximize your opportunities.

## OUR PRODUCTS AND SERVICES - THINGS YOU SHOULD KNOW

There are aspects of engaging Vision Wealth® as a portfolio manager that you should know.

### Referral Fees

Vision Wealth® will not collect or pay any fees pursuant to this Engagement to another person, firm or corporation in consideration for having referred you to Vision Wealth®.

### Best Execution

Vision Wealth® has written policies for best execution. Vision Wealth® seeks the best overall price and execution available and its goal is to execute transactions at a reasonable and efficient manner. Vision Wealth® receives and reviews quarterly best execution reports provided by Vision Wealth's® custodian.

### Soft Dollars

Vision Wealth® does not engage in soft dollar transactions with other brokers or dealers. Soft dollars are side arrangements with the broker/dealer whereby additional commissions are paid to brokers over and above the standard trade fees to cover additional services provided by a third party (such as database access, quote/information services and other similar services used in the investment decision making process). Vision Wealth® and its sub-advisors may pay select brokers a gross commission for the order execution and for research services. Vision Wealth® and its sub-advisors will decide which dealers are allocated brokerage business based on the quality of research received, competitive commission costs and their ability to execute trades.

### Vision Wealth Fair Allocation Policy

There can be competing interests among client accounts for allocation of trades in a fair manner which may result in certain clients being disadvantaged. Vision Wealth® controls this conflict as it has adopted a fairness of allocation of investment opportunity policy which operates on the premise that there will be a pro-rata allocation of investment opportunities. Practically speaking, as most client trades involve the Pooled Funds, this potential issue is not an issue for Vision Wealth's® clients. This issue only arises in the

occasional segregated trade, and then the possibility of allocation issues would be very remote.

### Vision Wealth® Pooled Funds

Important information relating to the Pooled Funds is contained in the Information Memorandum. These documents are available upon request and act as a detailed information circular for the Pooled Funds. Here are some areas that you should be aware of:

- The Vision Wealth® Pooled Funds are utilized to help us manage your assets more efficiently and more cost effectively. By pooling investment dollars, we reduce costs for clients (larger volume, more purchasing power) and improve operations. These Funds are only accessible by our clients and are not transferable to other institutions. We do not charge any management fees in the Pooled Funds.
- Each Pooled Fund is set up as its own separate legal entity, known as a mutual fund trust, and maintains independent records which are audited annually.
- Expenses to the Pooled Funds may not be appropriate or may be allocated disproportionately to a Pooled Fund which is not fair and equitable and may negatively impact the Pooled Fund and its performance. Vision Wealth® has established policies and procedures so that expenses charged to each Pooled Fund are reasonable and appropriate and the method of allocating such expenses is fair and equitable. There are operating costs associated with each entity and these expenses are capped at 50 bps, where any expenses above this will be paid for by Vision Wealth Management.
- Having a disproportionately large unitholder in one of the Pooled Fund's may create disadvantages for the remaining unitholders. Vision Wealth® manages this conflict as currently no one unitholder has more than 5% of a Pooled Fund's outstanding units; as a result, Vision Wealth® does not see this as a significant risk or conflict. Should an account or unitholder transgress a 10% threshold, Vision Wealth® would then review all proposed transactions and determine if they can be done over multiple transactions to ensure minimum impact on other unitholders.
- Our Pooled Funds trade weekly, restricting your ability to sell or buy to once per week only. Trading is subject to our best efforts to affect a trade, and settlement of the trade may be subject to further time restrictions or delays. Please see the

section of this document titled *Risk Factors* for information on important risk factors related to the Pooled Funds.

- The securities held directly or indirectly through the Vision Wealth® Pooled Funds in your account(s) are generally highly liquid and trade on recognized exchanges. These securities can usually be purchased and sold on the day an order is entered and settled the next business day.
- The Pooled Funds are not allowed to trade securities between the Pooled Funds.

### TRANSFERABILITY OF UNITS

The Units are not transferable except by operation of law or with the consent of the Manager. Therefore, there is no market for the Units.

### FEES, EXPENSES AND OTHER CHARGES

Vision Wealth® charges a portfolio management fee, plus any applicable taxes, for its services, as described in section 4 (How We are Paid) of your Letter of Engagement and in accordance with the Fee Schedule attached to your signed Letter of Engagement.

Assets in your Account(s) will primarily be invested in proprietary investment funds, which are managed by Vision Wealth®, and which are related and/or connected issuers to Vision Wealth®. Certain operating expenses and other costs, inclusive of Goods and Services Tax, are paid by the investment funds. We do not charge any management fees in the Pooled Funds.

If the investment strategy includes ETFs or other investment funds, there may be fees charged and these fees will vary based upon the constituent ETFs or other investment funds held within the account.

In addition to the management fees paid to Vision Wealth®, you also pay fees to your Custodian for transactional and/or custody services, depending on the type of account you hold and are set out in the Fee Schedule(s) attached to your Letter of Engagement.

You should be aware of costs associated with trading securities in your portfolio, including trade commissions and trade allocation fees. We execute trades primarily through the custodian where your accounts reside, however may execute trade through a number of different brokers.

Ongoing fees can reduce the value of your investment portfolio. This is particularly true over time, because not only is your investment balance reduced by the fee, but you also lose any return you would have earned on that fee. Over time, even ongoing fees that are small can have an impact on the value of your investment portfolio.

### Alternative Asset Classes

Vision Wealth® may from time to time invest a portion of your assets in alternative asset classes, including, but not limited to, hedge funds or private equity funds. These assets can be very risky, highly volatile, illiquid, and possibly subject to mispricing or improper valuation. As a result, these assets are typically limited to not more than 20% of your portfolio.

### Derivatives

Vision Wealth® or its sub-advisors, may from time to time employ the use of derivatives as part of its trading strategy. Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. Derivatives are subject to a number of risks, such as interest rate risk and market risk. They also involve 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 and, in over-the-counter transactions, the risk that the counterparty may not honour its obligation. Derivatives may be highly illiquid and the use of derivatives could result in a loss of more than the principal amount invested.

### Qualified Custodian

Your assets, unless otherwise indicated below, are held in Canada in a fully disclosed, segregated account at Fidelity Clearing Canada ULC (FCC). FCC is independent of Vision Wealth®. The assets in your FCC account are never co-mingled with other clients' assets. FCC is a member of the Canadian Investor protection Fund (CIPF). CIPF, subject to condition and limits, safeguards your assets from the insolvency or bankruptcy of a Canadian Investment Regulatory Organization (CIRO) member firm. You can find more information regarding CIPF at [www.cipf.ca](http://www.cipf.ca).

Your assets are subject to a risk of loss: (i) if FCC becomes bankrupt or insolvent and CIPF coverage is insufficient to safeguard all your assets held by FCC; (ii) if there is a prolonged and/or unrecoverable breakdown in FCC's information technology systems; and, (iii) due to fraud, willful or reckless misconduct, negligence or error of FCC.

Vision Wealth® has reviewed FCC's reputation, financial stability, relevant internal controls, and ability to deliver custodial services and has concluded that FCC's system of controls and supervision is sufficient to manage risks of loss to your assets in accordance with prudent business practice.

FCC is an indirect, wholly owned subsidiary of 483 Bay Street Holdings LP, which is a joint venture between FIL Limited and Fidelity Canada Investors LLC. FCC and two other separate related legal entities that are also Canadian securities registrants - Fidelity Investments Canada ULC and Fidelity (Canada) Asset Management ULC - each conducts business under the "Fidelity Investments" brand, which is a trademark of Fidelity Investments Canada ULC. "Fidelity Investments" is also a registered business name of FCC. However, each Canadian securities registrant operates and conducts its business independently of each other. FCC is a member of and regulated by CIRO. FCC is a qualified Canadian Custodian under applicable securities laws.

## ACCOUNT REPORTING

We will provide you with a written report regarding your Account(s) (the "Quarterly Report") following each calendar quarter during the term of this Engagement. The Custodian will also send quarterly statements, and monthly statements for any months in which there is activity within your Account(s). Vision Wealth® does not prepare or provide Quarterly Statement(s) for each client account. Vision Wealth® has entered into an agreement with the Custodian, whereby it relies on the Custodian to provide your Quarterly Statement(s), for each of your accounts. In addition to these statements, Vision Wealth® will provide you with a Quarterly Statement on a consolidated basis for each client and household. Both Vision Wealth® and the Custodian are responsible for the delivery of complete, accurate and timely reporting to you. If you have any questions about the information contained in any of your client statements, please contact us.

We will provide you with a written statement after the end of each calendar year outlining the total amount of all compensation received by Vision Wealth® over the course of the prior calendar year, along with a written statement outlining the money-weighted performance of each of your Accounts for the prior calendar year and prior periods.

## Benchmarks

Comparing your portfolio's performance to that of an appropriate benchmark may be a useful exercise for assessing how your investments are doing. Benchmark comparisons may help you determine if an investment approach is delivering our desired results. We do not use benchmarks in our reporting as this does not align with the goals we set for you. For more information about comparing your returns to a benchmark, please contact us.

## TRUSTED CONTACT PERSONS

By choosing to provide information about a trusted contact person, you authorize Vision Wealth® to contact the trusted contact person and disclose information about your accounts to that person in the following circumstances:

- (a) possible financial exploitation of yourself;
- (b) concerns about your mental capacity as it relates to your financial decision making or lack of decision making;
- (c) the name and contact information of any of the following:
  - a. a legal guardian of yourself,
  - b. an executor of an estate under which you are a beneficiary;
  - c. a trustee of a trust under which you are a beneficiary, or
  - d. any other personal or legal representative of yourself; or
- (d) your current contact information.

## TEMPORARY HOLDS

A temporary hold means a hold that is placed by Vision Wealth® on the purchase or sale of a security on your behalf or on the withdrawal or transfer of cash or securities from your account.

Vision Wealth® will not place a temporary hold on your accounts unless we reasonably believe that:

- (a) you are a vulnerable client;
- (b) you have been financially exploited, financial exploitation is occurring, has been attempted or will be attempted; or
- (c) you do not have the mental capacity to make decisions involving financial matters.

Should a temporary hold be placed on your accounts we will provide you notice of the temporary hold and the reasons for the temporary hold as soon as possible. We will continue to review the relevant facts on an ongoing basis to determine if continuing the hold is appropriate. Within 30 days of placing the temporary hold and, until the hold is revoked, we will update you on a monthly basis to inform you if we have revoked the temporary hold or provide you with notice of our decision to continue the hold, and the reasons for that decision.

## OUR COMMITMENT TO YOU REGARDING CONFLICTS OF INTEREST

While providing services to you, there may be situations where a conflict arises between our interests and yours. We believe it is important that you are fully informed regarding these conflicts. Canadian securities laws require us to take reasonable steps to identify and respond to existing and potential material conflicts of interest.

Vision Wealth® has developed policies and procedures to identify conflict and potential conflict of interest matters. Once a conflict has been identified, Vision Wealth® will take steps to remove the conflict, or, if not possible, will take steps to minimize the impact of the conflict and provide appropriate disclosure to all affected parties.

Vision Wealth's® Conflict of Interest Policy can be found on our Vision Wealth® website at: [www.visionwealthmanagement.ca](http://www.visionwealthmanagement.ca)

## RISK FACTORS

### INVESTMENT RISKS

The value of your investment in the Fund is directly related to the value of the investments held by the Fund. The value of these investments will change from day to day due to general market conditions, changes in interest rates or currency exchange rates, and political and economic developments. As a result, the value of the Fund's units will go up and down, and the value of your investment in the Fund may be more, or less, when you redeem it than when you purchased it. Unlike bank accounts or guaranteed investment certificates (GICs), units of the Fund are not covered by Canada Deposit Insurance Corporation or any other government deposit insurer. The full amount of your investment in the Fund is not guaranteed.

## MARKET RISK

The value of most investments, in particular equity securities, is affected by changes in general market conditions. These changes may be caused by corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments.

## INTEREST RATE RISK

The value of fixed income securities, such as bonds, debentures or mortgages, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise. In addition, if interest rates are low, an issuer of a fixed-income security may decide to prepay principal, and the Fund may have to reinvest this money in securities that have lower interest rates.

## CREDIT RISK

The value of fixed income and debt securities depends, in part, on the perceived ability of the government or company that issued the securities to pay the interest and to repay the principal investments. Securities issued by those governments or companies that have low credit ratings are considered to have a higher credit risk than securities issued by those that have high credit ratings.

## LIQUIDITY RISK

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. The value of securities is subject to greater fluctuation if they are not regularly traded.

## CURRENCY RISK

The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

The Fund converts its Canadian dollars to foreign currency to buy a foreign security and when it sells the foreign security, may convert the foreign currency to Canadian dollars. As a result, if the value of

the Canadian dollar has risen and the market value of the security stayed the same, the Fund will lose money.

## FOREIGN MARKET RISK

The value of foreign investments may be affected by factors not typically associated with investments in Canada. For example, there may be less information about foreign companies, lower standards of government supervision and regulation, and different accounting and financial reporting standards in foreign financial markets. In addition, foreign investments sometimes cannot be sold as quickly or as easily as similar investments in Canada. Political, social and economic instability, and diplomatic developments can also negatively affect the value of foreign investments. Investments in foreign markets may be subject to changes in currency exchange rates, the imposition of taxes or the expropriation of assets, all of which can affect the value of these investments.

## SMALL COMPANY RISK

The investment risk associated with small companies may be higher than that associated with larger, more established companies due to the greater business risks associated with the small size, relative inexperience of the company, limited product lines, distribution channels, and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of small companies are often traded only on over-the-counter markets and may not be traded in the volumes typical of trading on a major stock exchange. As a result, in order to sell this type of holding, the Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies.

## INCOME TRUST RISK

The Fund may invest in income trusts, real estate investment trusts, royalty trusts or other investment trusts which are organized in the form of trusts rather than corporations. To the extent that claims against a trust are not satisfied by the trust, investors in the trust, including a fund that owns units of a trust could be held liable for claims against the trust. Many trusts try to limit this risk by including provisions in their agreements that state that their obligations and liabilities will not be binding on unitholders; however, it is possible

that unitholders could still be exposed to certain claims including, but not limited to, claims for personal injury or environmental liability. In addition, some trusts are organized under the laws of jurisdictions that have passed legislation to limit the personal liability of unitholders for obligations and liabilities of the trusts. It is possible that reliance on this type of legislation could be challenged on jurisdictional or other grounds.

### REDEMPTION RISK

In exceptional circumstances, the Manager may temporarily suspend your right to redeem your units. The Fund will only do this if:

- normal trading is suspended on any stock exchange on which securities or derivatives that make up more than half of the Fund's total assets by value are traded; or
- we have permission from the British Columbia Securities Commission.

### LARGE REDEMPTION RISK

If an investor redeems units representing a large portion of the outstanding units of the Fund, the Fund may be required to sell significant investments from the Fund's portfolio. These redemptions can affect the Fund's return if the Fund is required to sell investments at unfavourable prices.

### RISKS OF USING DERIVATIVES

There is no guarantee that the Fund can close a derivative contract when it determines that it is in its best interests to do so. If an exchange imposes trading limits, that could also affect the ability of the Fund to close out its position in the derivatives.

### WHAT YOU CAN DO IF YOU ARE UNHAPPY WITH OUR SERVICES

We hope that your experience with us will be a positive one. However, if you feel that your expectations have not been met and have a complaint or dispute you wish to levy that cannot be resolved directly with the advisor or Vision Wealth® we ask that you forward these to our Chief Compliance Officer, Dana Fleming. We will provide a written response within 5 days to acknowledge the receipt of your complaint, reiterate our obligations to you upon receipt of your complaint and provide you with the steps for you to take to utilize the Ombudsman for Banking Services and Investments ("OBSI"), should you choose to do so.

Within 90 days of receipt of your complaint we will provide you with a written report detailing our findings and our proposed course of action should any be required. Should you not be satisfied with our decision or proposed resolution, you may be eligible to use the Ombudsman for Banking Services and Investments (OBSI). The OBSI is a free and independent dispute resolution service. You have 180 days from the date of our written report to register a complaint with the OBSI.

The OBSI may be contacted by email at [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) or by telephone at 1-888-451-4519. OBSI works confidentially, in an informal manner and a lawyer is not needed. OBSI will investigate your matter and may interview you and us. We will cooperate with OBSI's investigations. OBSI will then provide its recommendation which is not binding on us and can recommend compensation of up to \$350,000. For more information regarding OBSI, please view the OBSI website at [www.obsi.ca](http://www.obsi.ca).

**WEALTH MANAGEMENT**  
FOR BALANCED LIVING

*Your Vision is Our Benchmark.®*