

## Client Relationship Disclosure Information

### General

National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations (NI 31-103) requires securities dealers to disclose information that a reasonable investor would expect to know about the client's relationship with the dealer, including any material conflicts the dealer or its representatives may have with a client. These regulations require dealers to provide this disclosure to clients prior to making any investments.

### Registration

Open Access Limited (OAL or the Firm) is a privately owned independent firm. It is registered in all 13 jurisdictions as a Portfolio Manager. It is also registered as a Mutual Fund Dealer in Ontario and Nunavut and as an Exempt Market Dealer in Ontario. As a Portfolio Manager, OAL may be instructed by its clients to exercise discretionary investment management authority over their accounts.

To provide Group Retirement services OAL is registered as a Mutual Fund Dealer. OAL's mutual fund dealer activities are incidental to the provision of Group Retirement services and OAL was granted an exemption from membership in the Mutual Fund Dealers Association of Canada (MFDA). This exemption allows OAL to continue to provide efficient, cost-effective service of the highest quality to you. A requirement of the exemption is the following disclosure to plan participants:

- OAL is currently not a member, and does not intend to become a member of the MFDA. Consequently, clients of OAL will not have available to them investor protection benefits that would otherwise derive from membership of OAL in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA.
- It is OAL's policy to ensure all dealings are in compliance with the provisions of applicable securities pension, tax, and corporate legislation, regulations and policies and to the terms of its registrations with Canadian securities regulatory authorities.

### Business activities

OAL is a retirement plan administrator and provides plan sponsors with a complete outsourcing solution for Group Retirement Savings Plans, Deferred Profit Sharing Plans, and Defined Contribution Pension Plans.

OAL provides unbiased advice on its products and services available to you. Employees at OAL will not receive incentives nor will they receive commissions based on revenues generated through individual transactions. Some fund companies may occasionally provide compensation to OAL such as subsidizing portions of advertising, continuing education, and promotional programs.

OAL was part of the mutual fund division of Hodgson Robertson Laing Limited, an investment management company established in 1928, serving pension funds, insurance companies and private investors. Open Access is registered as a trademark and is the property of Open Access Limited. The registered trademark is protected under the copyright laws of Canada.

## Related and connected issuers

Securities law require securities dealers and advisers, when they trade in or advise with respect to their own securities or securities of certain other issuers to which they, or certain other parties related to them, are related or connected, to do so only in accordance with particular disclosure and other rules.

OAL does not invest client portfolios in any company with whom it or its directors or officers have a direct or indirect relationship. OAL has no related or connected issuers that would create a potential for any conflict of interest.

## Suitability of investments

These types of investments may not be suitable for all clients. OAL is obligated under section 14.2 of NI 31-103 to make a determination to ensure the proposed investment is suitable for you. To assess the suitability of proposed investments, OAL will obtain information relating to your investment objectives, risk tolerance, investment knowledge, financial position and other relevant information situation. In addition, section 13.2 of NI 31-103 requires OAL to obtain information related to your identity. All this information is collected through the Investor Profile Form and Member Application Form provided.

## Custodian

Since 2013, OAL has used Canadian Western Trust ("CWT") as the custodian for your account assets, and those of our other clients. That is, while OAL has discretionary authority to trade the investments in your account, and therefore has access to such assets, CWT holds these assets as the trustee and custodian. CWT is a Canadian federally regulated trust company and is a member of the Canada Deposit Insurance Corporation ("CDIC"). Cash deposits held with CWT are eligible for insurance coverage by CDIC.

Under new rules, OAL must ensure that your assets are held by a "Canadian custodian" as NI 31-103 defines such term. CWT meets this definition, and therefore OAL is permitted to continue to retain it to act as custodian of our client's assets. Accordingly, no changes to your custodian will be made in response to the new rules. Because of the nature of the assets in your account, no foreign sub-custodians are needed and therefore none have been appointed.

Assets are held in trust by CWT on an omnibus basis under the terms of each applicable trust for the six different types of plans we offer. In accordance with certain agreements which OAL has with CWT, OAL is the record keeper for these trust accounts. As the record keeper, OAL maintains all records of the underlying ownership of cash and securities by each individual plan member and the related transactions which produce those balances.

Although OAL maintains records at the individual client level, OAL is working with CWT to ensure that it has full access to, and the proper training in, the systems OAL uses to prepare these records, so that it could if necessary take over this responsibility from OAL and to ensure that it has the ability to independently view and download individual plan member records at any time and generate any reports independent of OAL, which will in turn allow CWT to view the allocation of cash and securities held in each bulk account to individual account holders.

OAL will also provide CWT with a monthly reconciliation of cash and securities shown on OAL's record keeping system to the cash and securities in each trust account at CWT. CWT will periodically audit these reconciliations, on either a scheduled or an unscheduled basis.

It should be noted that the OAL business model involves the purchase of institutional class units of the mutual funds acquired for your accounts and those of our other clients. The lower cost

pricing of these units is of significant benefit to our clients, and is something that could not be achieved if the fund units were registered in the name of the individual client rather than in the name of CWT.

## Benchmarks

The performance results displayed herein represent the time-weighted monthly rate of return for each CAP portfolio and their appropriate CAP portfolio benchmark.

Benchmarks are the standard against which Open Access' CAP performance can be objectively compared and measured. The benchmarks are relevant comparisons because the Investment Policy Statement (IPS) of each CAP portfolio identifies specific benchmark index components (i.e. indices) and weights, and the Investment Team manages the asset mix of each CAP portfolio relative to its benchmark.

Index returns are supplied by a third party – we believe the data to be accurate, but cannot guarantee its accuracy.

Mutual funds have fees that reduce their performance; indices do not. You cannot invest directly in an index. OAL CAP portfolios may underperform the benchmark after factoring in underlying fund and OAL fees, fund expenses, and/or the size and timing of your purchases and redemptions.

The six components that make up each CAP portfolio's benchmark are as follows:

- S&P/TSX Composite Index, representing the risk and return profile of Canadian equities
- S&P 500 Index (\$C), representing the risk and return profile of U.S. equities in Canadian dollars
- MSCI EAFE Net (\$C) measuring the risk and return profile of international developed equity markets outside North America in Canadian dollars
- FTSE TMX Canada Universe Bond Index, representing a broad universe of diversified Canadian investment-grade bonds
- FTSE TMX Canada Short Term Bond Index, representing a broad universe of diversified Canadian investment-grade bonds with maturities ranging from 1 to 5 years
- FTSE TMX Canada 91 Day T-Bill Index, representing cash/a T-bill with 91-day maturity in the portfolio

## Investment Risks

Clients of OAL should be aware of the following key risks associated with investments in securities:

- **Market risk** – the risk that the market value of investments may fall unpredictably depending on supply and demand, sector or economic factors.
- **Liquidity risk** – the risk that OAL may not be able to sell securities within a portfolio due to a limited resale market which could contribute to a decline in the value of the investments.
- **Currency risk** – the risk that securities denominated in a currency other than Canadian dollars will be affected by currency fluctuations in relation to the value of the Canadian dollar.
- **Interest rate risk** – the risk that interest rates changes will affect the value of investments. An increase in interest rates may reduce the return of accounts holding debt or fixed income securities.

## **Fairness Policy**

OAL allocates investment opportunities in a manner that ensures all portfolios and the underlying investors are treated fairly. No portfolio is given preferential treatment in the execution of trades made for more than one portfolio. Trades for portfolios will always be filled before those of employees of OAL.

OAL allocates trading costs and commissions on a pro-rata basis for trades that are bunched or blocked. The basis for the allocation will be the percentage of the total trade that is executed on behalf of each portfolio. Each portfolio will pay a percentage of the total transaction cost equal to the percentage of the securities allocated to the applicable portfolio. OAL charges the average price of the securities for trades that are blocked or bunched on behalf of multiple portfolios.

OAL allocates partially filled orders to buy or sell securities on behalf of multiple portfolios on a pro-rata basis. Each portfolio will receive the quantity of securities equal to the percentage of the total order that is filled for OAL portfolios.

Similarly, if OAL receives less than a full allocation of securities that are part of an initial public offering, the securities will be allocated among portfolios on a pro-rata basis. Each portfolio that was part of the original order will receive the quantity of securities equal to the percentage of the total order that is filled for OAL portfolios.

## **Automatic Rollover of Assets for Investment Changes**

If a client is in a managed CAP Portfolio and changes his/her profile, all current holdings will automatically be converted to the new investment asset mix. Any fund company charges applied to the conversion of the CAP Portfolio holdings may be charged to the plan member's account.

## **Cash**

Cash holdings cannot be accommodated by OAL.

## **Investor Protection Fund**

OAL has obtained an exemption from the requirement in Ontario securities law to participate in an approved compensation fund or contingency trust fund. These funds provide for certain compensation to eligible clients of a participating dealer who suffer a financial loss as a result of the dealer becoming insolvent and not being able to return assets which it was holding on behalf of clients.

As a condition of this exemption, OAL may not hold any client assets.

## **Fees**

OAL receives an investment management fee for each portfolio it manages. This is applied on a monthly basis and is based on the daily net asset value of the investments held by the plan during the period.

OAL charges an administration fee to each client account at the beginning of the calendar year based on the market value of the account as at December 31. An administrative fee would also apply when a client account is withdrawn in full or in part, transferred or deregistered.

OAL pays the fees of any applicable redemptions and a fund manager's fees out of the assets of the fund/portfolio held by investors.

OAL will provide clients with a minimum of sixty (60) days' notice of any change in fees.

The details of the fees are clearly outlined in OAL's Fee Schedule.

## Account statements

OAL provides a client with an account statement at least once every three months. Clients may request that statements be issued on a monthly basis. The statement contains details of securities transactions and a client's account holdings during the period covered by the statement and details of the account holdings at the end of the statement's period.

## Borrowed money

Borrowing money to purchase securities involves greater risk than paying with your own money. If an investment declines in value, using borrowed money will only increase your losses; you must repay the loan plus interest even if the value of the securities purchased declines.

## Dispute resolution

OAL offers independent dispute resolution or mediation service through OBSI, at its own expense, to clients to resolve client complaints. The Firm may be required to make the independent service available when a complaint:

- relates to a trading activity of OAL or its Representatives, and
- is raised within six years of the date when the client knew or ought to have known of the activity (or omission) that caused or contributed to the complaint.

The client may escalate an eligible complaint to the independent service made available by OAL in two circumstances:

- The Firm failed to give the client notice of its decision within 90 days of receiving the complaint. The client is entitled to escalate the complaint to the independent service immediately or at any later date until the Firm has notified the client of its decision. Informing the client that OAL plans to take more than 90 days to make its decision does not change this deadline.
- The Firm has given the client notice of its decision about the complaint and the client is not satisfied with the decision. The client then has 180 days in which to escalate the complaint to the independent service.

In either instance, the client may escalate the complaint by directly contacting the independent dispute resolution or mediation service.

In accordance with section 13.16 of NI 31-103, the Firm will inform a client how to contact OBSI and use the dispute resolution service or mediation service, when a complaint has been made by the client about any trading activity of OAL or its Representatives.

A registered firm does not have to offer dispute resolution for complaints from permitted clients that are not individuals.

## Privacy Policy

OAL earns your trust by adhering to privacy principles in protecting your personal information. The term "personal information" refers to information that specifically identifies you as an individual and is provided to or collected by us. It includes, for example, your name and address, age and gender, personal information records, identification numbers such as your social insurance number (SIN), and your employment information.

## Collection and use of personal information

OAL is required under securities legislation and anti-money laundering legislation to collect information to verify the identity and reputation of clients. OAL is also required under securities legislation to make a determination to ensure a proposed investment is suitable for you. To assess the suitability of proposed investments, OAL will obtain information relating to your investment objectives, risk tolerance, investment knowledge, financial situation and circumstances.

In providing services to clients, OAL may be required to use and share personal information with its employees, third party service providers and other financial institutions. When you open an account with us, you authorize us to collect this information during the course of our relationship.

Personal information collected by OAL will be held at the head office of the Firm: **1 Richmond Street West, Suite 701, Toronto, Ontario M5H 3W4.**

## Sharing personal information

OAL will not use or disclose personal information for purposes other than those for which it was collected except with the consent of the client or as required by law. Personal information will be retained only as long as necessary for these purposes or required by law.

## Safeguarding personal information

Client personal information is protected by security safeguards that are appropriate to the sensitivity level of the information. All employees of OAL are responsible for protecting client privacy, confidentiality and security. This obligation remains in effect even after an employee leaves the Firm. OAL has appropriate controls in place over computer systems in compliance with its Privacy Policy.

OAL will ensure that third party service providers requiring the use of personal information have appropriate security procedures and controls to protect the personal information of OAL's clients.

## Updating and accessing your personal information

With some limited exceptions, you have rights to access and update personal information held by OAL about you. You may inquire about any personal information OAL may have about you, by sending an email to [inquiry@openaccessltd.com](mailto:inquiry@openaccessltd.com).

You must include your full name, address and telephone number and a copy of an identity document (such as an ID card or passport). This will allow OAL to verify your identity and whether the Firm has any personal information regarding you. OAL will contact you if the Firm needs additional information to make that determination.

Any changes to the Client Relationship Disclosure Information document will be provided to each client.

If you have any questions concerning the content of this document, please contact one of the OAL Customer Service Representatives at 1-866-Open Access-GRSP (625-4777) or (416) 364-6667.