

# Relationship Disclosure Information

CARDINAL | POINT

## 1. Introduction

In this relationship disclosure information document (the “RDI”) we provide important information concerning the relationship between Cardinal Point Capital Management ULC (“Cardinal Point”, the “Firm”, “we”, “our” or “us”) and our clients (“clients” or “you”).

Other important information you need to know about your relationship with us and the operation of your account is contained in your account opening documentation, which includes your portfolio management agreement with us.

This information is current as of the date provided to you. Please note that we will post our most current version of this document at <https://cardinalpointwealth.com> and inform you when a new update has been posted.

If you have any questions about this document, please contact us at:

3280 Bloor Street West, Centre Tower, Suite 500  
Toronto, ON M8X 2X3  
Telephone 647.598.3951  
Attn: Chief Compliance Officer  
Email: [mattz@cardinalpointwealth.com](mailto:mattz@cardinalpointwealth.com)

Alternatively, please contact your Cardinal Point adviser.

## 2. Who We Are

Cardinal Point is registered as a Portfolio Manager in the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan, Prince Edward Island and Quebec. We provide personally tailored portfolio management and wealth planning services geared primarily towards Canadian clients. Cardinal Point is also a U.S. SEC registered investment advisor.

Cardinal Point specializes in working with Canadian and U.S. residents, Canadian and American expatriates, and those immigrating to Canada and the U.S. from abroad. Our customized domestic and cross-border wealth, financial and tax planning services, as well as investment policy creation, asset allocation and portfolio management, give us the ability to oversee and advance the goals of our clients wherever they call home.

Cardinal Point and its affiliates are dedicated to meeting the needs of our clients in the areas of capital preservation, tax planning, risk management, and delivery of long-term investment returns through varying economic and market cycles. For more information on our related and affiliated entities, please see Appendix B for our Conflict of Interest Disclosure Statement.

## 3. Our Products and Services

**Portfolio Management Services:** If you enter into an portfolio management agreement with us, we will manage your account in our sole discretion using the full discretionary authority that you will have granted us in the portfolio management agreement. This means that we will be able to make all investment decisions in your account, including purchases and sales, without obtaining your express consent for each such purchase and sale. We will however be required to operate the account in accordance with the portfolio management agreement and the contents of the investment policy statement that we develop for you based on the information you provide us.

**Wealth Planning:** If you enter into a portfolio management agreement with us, this agreement or an appendix thereto will specify certain additional services we may provide including: i) cash flow management; ii) personal and corporate tax planning; iii) retirement planning; iv) risk management analysis; v) cross border financial and tax planning; vi) charitable bequest planning; vii) estate planning; and viii) generational and family planning. Cardinal Point is proud to provide a wide range of wealth planning services and it is important to discuss and confirm which services you will receive based on your account opening documentation with the Firm. If you have any questions, please reach out to your Cardinal Point adviser.

Please be advised that certain affiliates of Cardinal Point provide business management and insurance services. For additional information on these services please contact us.

### **Products**

Cardinal Point may use any or all of the following securities during the course of its management of your account:

- Cash and cash equivalents
- Fixed income securities (ie. corporate and government bonds, GICs, money market securities, structured notes, etc.)
- Equities (ie. Canadian, U.S. and international common and preferred shares, derivatives, income trusts, index participation units, stock options, etc.)
- Investment Funds (ie. equity funds, fixed-income funds, balanced funds, money market funds, index funds, specialized funds, ETFs, alternative investment funds, etc.)

Some of these products may have liquidity or resale restraints. Investment products utilized or offered by Cardinal Point may include investment products that are owned or managed by a related entity of Cardinal Point. For more information regarding our related investment products, see Appendix B for our Conflicts of Interest Disclosure.

#### 4. Suitability Assessment

As a portfolio manager, Cardinal Point has an obligation to take reasonable steps to ensure that, before it purchases or sells any security in your account, the investment action is suitable for you, and places your interest first. Cardinal Point must put the client's interest first when it takes an investment action for the client.

To meet this suitability obligation, we collect KYC information from you at the time you open an account with us, such as: information about your personal circumstances, financial situation, investment goals and objectives, investment horizon, investment knowledge and experience, and make a determination regarding your risk profile, which includes your willingness to accept risk (risk tolerance) and ability to endure financial loss (risk capacity). In order to satisfy our obligation to assess suitability on an ongoing basis after you open your account, as applicable, we update your KYC information on an annual basis or if there is a change in your KYC information. We ask that you keep us updated with respect to any changes to your KYC information that could result in a change to types of suitable investments.

To meet our suitability obligation, we must also "know" and understand each investment we place you in. Through our "know-your-product" ("KYP") due diligence process, the firm analyzes every investment we place you in or recommend to you. Our KYP process is coordinated by the firm's advising representative(s),

as applicable. Without limitation, as part of the firm's KYP process, we generally consider such things as the reputation and track record of the investment product and/or its manager, the potential for profit and loss, the associated risk level and potential for conflicts of interest, the investment's time horizon and complexity and the specific features of any investment, including costs and fees, liquidity, redemption rights and the frequency, completeness and accuracy of an issuer's disclosure.

Once we have collected your KYC information and we have conducted our KYP process, we can then use all of that information to determine whether or not an investment is suitable for you. Should there be any changes to your KYC information during the year, it is your responsibility to let us know as quickly as possible. All personal, confidential information we receive from you will be treated in accordance with our Privacy Policy, a copy of which is contained at Appendix A to this document.

## 5. Fees and Operating Expenses

Our fee is based on an annual percentage of your account's assets under management and is agreed to with you at the time of account opening. This fee is calculated and payable in arrears as set out in your portfolio management agreement. This fee is subject to all applicable sales and other taxes.

Transactional charges that might otherwise be associated with an account (e.g., brokerage fees associated with buying and selling securities for your account) are not included in our management fee. Any fees for additional services provided to you by Cardinal Point are detailed in your portfolio management agreement. Custodial and other transactional fees will be charged by the custodian in your account as you have a separate contractual relationship with your custodian and our services are limited to the portfolio management decisions made in your account.

You may also incur fees or expenses in connection with units of investment funds purchased or sold by Cardinal Point for your account. These fees and expenses are not charged directly to you (except if you own units in a certain series of a fund) but rather are taken directly from the fund as a percentage of its total assets. When you receive information about the value of your investment in fund units, the fund fees and expenses associated with those units will already have been factored into the information, including any information about the fund's investment performance.

It is Cardinal Point's policy not to charge duplicate fees in the event that it receives any sales commission or charge, trailing commission, commonly known as "trailer fees", or any similar fees or payments from a third-party issuer of investment products. In such cases, Cardinal Point will not charge an additional management fee on such assets in your account.

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.

As noted above, when Cardinal Point onboards new clients, it generally seeks to charge a standard management fee for its different services. Cardinal Point may, at its sole discretion, negotiate a lesser or different management fee, depending upon objective and subjective factors that include, for example: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement and services sought; related accounts; anticipated future additional assets; and/or a prior relationship with Cardinal Point and/or its representatives. Further, as Cardinal Point has grown its business, it acquired client accounts ("legacy accounts") which may have a different fee model than the standard management fees Cardinal Point may seek to charge new clients. In addition, Cardinal Point also generally charges lower management fees to the firm and its shareholders, directors, staff and relatives of staff.

This creates a potential conflict of interest between the interests of Cardinal Point and those of its clients to the extent that some clients are aware of the ability to negotiate management fees and others are not. To address this, Cardinal Point has implemented measures designed to ensure that deviations from its standard management fee rate are applied fairly and consistently and ensures that all clients are aware that management fees are negotiable in limited circumstances. Cardinal Point does not treat clients differently as a result of their management fee and does not provide preferential access to products or other services on the basis of a client's management fee, unless such fee is set out to be inclusive or exclusive of additional services, such as tax planning.

## 6. Custody of Your Assets

Cardinal Point will not have physical custody of securities in your account. In opening your account with us, you will be required to open an account at a qualified custodian, who will hold your assets. The custodian will provide certain services to you including: (i) establishing and servicing your account; (ii) acting as custodian for the assets in your account; (iii) providing certain administrative services in connection with your account; and (iv) executing trades for your account based on instructions from Cardinal Point. Under our agreement with the custodian, we are responsible for providing the custodian with all instructions related to securities transactions to be executed for the account, ensuring such transactions are suitable for you and for complying with all applicable "know your client" and "know your product" obligations.

The arrangement with the custodian is intended to enhance the protection of client assets since the custodian is a qualified custodian that is functionally independent from Cardinal Point. Although Cardinal Point will monitor the services performed by the custodian, in the event of the bankruptcy or insolvency of the custodian, there is no certainty that you will not incur losses due to your assets being unavailable for a period of time, the ultimate receipt of less than full recovery of your assets, or both. The custodian will hold the assets of your account in book-based form or at its head office in Toronto or at any other office or location where it is customary for the custodian to keep like cash and securities, and the custodian may hold same through a sub-custodian, agent or nominee if necessary or usual for it to do so in respect of like securities. The custodian will take all reasonable steps to receive and collect all proceeds, income or other revenue or distributions from the securities held, as well as enter into and settle foreign exchange transactions, notify Cardinal Point of matters affecting the securities, such as corporate action notices, and ensure that all property is kept separate and distinct from its own assets and those of other clients and keep a separate record for each account.

Unless you instruct us otherwise, the custodian of your account will be Fidelity Clearing Canada ULC (FCC), Fidelity Brokerage Services LLC (FBS), National Bank Independent Network (NBIN), Pershing Advisor Solutions LLC (Pershing), Aviso Correspondent Partners (Aviso), or Charles Schwab & Co., Inc. (Schwab).

Fidelity Clearing Canada ULC ("FCC"). 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 other separate related legal entities that are also Canadian securities registrants - Fidelity Investments Canada ULC 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 the Canadian Investment Regulatory Organization (CIRO) and is a member of the Canadian Investor Protection Fund, which provides limited protection for property held by a member firm if the member firm becomes insolvent. FCC is a qualified Canadian Custodian under applicable securities laws. FCC is independent of Cardinal Point.

Fidelity Brokerage Services LLC ("FBS") may act as the custodian of your account if you reside in the United States. FBS is a wholly-owned subsidiary of Fidelity Global Brokerage Group, Inc., which is a wholly-owned

subsidiary of FMR LLC. FBS's main office is located at 900 Salem Street, Smithfield, Rhode Island, 02917, United States. FBS is a registered broker-dealer with the U.S. Securities and Exchange Commission. FBS is acting in reliance on the International Dealer exemption in certain provinces of Canada. FBS is independent of Cardinal Point. In addition to the business risks common to all custody accounts, where those accounts are in a foreign jurisdiction such as the United States, it may be more difficult or expensive to bring legal action to enforce rights against the foreign custodian. There may also be differences in local laws affecting your rights in the event of bankruptcy of the foreign custodian.

National Bank Financial ("NBF") acting through its National Bank Independent Network division ("NBIN"), which is an indirect, wholly owned subsidiary of National Bank of Canada ("NBC"). NBIN's offices are located at Suite 3000, 130 King Street West, Toronto, Ontario. NBC is a federally regulated Schedule I bank and a public company listed on the TSX. NBF is a member of and regulated by the Canadian Regulatory Organization and is a member of the Canada Investor Protection Fund, which provides limited protection for property held by a member firm if the member firm becomes insolvent. NBF is a qualified Canadian Custodian under applicable securities laws. NBF is independent of Cardinal Point.

Pershing Advisor Solutions LLC ("Pershing") may act as the custodian of your account if you reside in the United States. Pershing is a broker dealer and a member firm of FINRA has been designated by BNY Mellon N.A as an affiliated service provider to perform certain administrative functions for bank custody accounts. Pershing offices are located at One Pershing Plaza, Jersey City, NJ 07399. Pershing is acting in reliance on the International Dealer exemption in certain provinces of Canada. Pershing is independent of Cardinal Point. In addition to the business risks common to all custody accounts, where those accounts are in a foreign jurisdiction such as the United States, it may be more difficult or expensive to bring legal action to enforce rights against the foreign custodian. There may also be differences in local laws affecting your rights in the event of bankruptcy of the foreign custodian.

Aviso Correspondent Partners ("Aviso") is a trade name of Aviso Financial Inc. and operates as a separate business unit. Aviso's offices are located at 151 Yonge Street, Suite 1200 Toronto, ON M5C 2W7. Aviso Financial Inc. is a dual registered dealer, registered under applicable securities regulation. Aviso is a member of CIRO and a wholly owned subsidiary of Aviso. Aviso is a wholly owned subsidiary of Aviso Wealth LP, which in turn is owned 50% by Desjardins Financial Holding Inc. and 50% by a limited partnership owned by the five provincial Credit Union Centrals and The CUMIS Group Limited. Aviso is a member of and regulated by the Canadian Regulatory Organization of Canada (CIRO) and is a member of the Canadian Investor Protection Fund, which provides limited protection for property held by a member firm if the member firm becomes insolvent. Aviso is a qualified Canadian Custodian under applicable securities laws. Aviso is independent of Cardinal Point.

Charles Schwab & Co., Inc. ("Schwab") may act as the custodian of your account if you reside in the United States. Schwab is a broker-dealer registered with the Securities and Exchange Commission (SEC) and its offices are located at 2423 E. Lincoln Dr. Pheonix AZ, 85016. Schwab is acting in reliance on the International Dealer exemption in certain provinces of Canada. Schwab is also a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC), which provides limited protection for client assets that are impacted by SIPC member firm failing. Schwab is independent of Cardinal Point. In addition to the business risks common to all custody accounts, where those accounts are in a foreign jurisdiction such as the United States, it may be more difficult or expensive to bring legal action to enforce rights against the foreign custodian. There may also be differences in local laws affecting your rights in the event of bankruptcy of the foreign custodian.

## 7. [Your Account Statements and Reports](#)

Every quarter Cardinal Point will provide you with a statement that includes details about each transaction

or activity that occurred in your account during the previous quarter and information about each security, including its cost, and the cash balance, if any, in your account at the end of the quarter. If you wish, Cardinal Point will provide you with such statements on a monthly basis.

Cardinal Point will provide you with an annual report on any charges that you paid to Cardinal Point as well as any other compensation that Cardinal Point received in connection with operating your account. Cardinal Point will also provide you with an annual report on the investment performance of each of your Cardinal Point accounts or, with your consent, all of your accounts on a consolidated basis. Cardinal Point may not, and is not obligated, to provide such a report to any client who is a “permitted client” as defined in Canadian securities regulations and who is not an individual.

## 8. Risks Associated with Investing

All investments, apart from certain “guaranteed” investment products, are subject to fluctuations in value and risk of loss and, unlike bank accounts or guaranteed investment certificates, the value of stocks, bonds, money market securities and investment funds is not covered by the Canada Deposit Insurance Corporation or other government deposit insurer.

Before finalizing an investment policy statement for your Cardinal Point account, carefully consider your investment goals, your level of risk tolerance and the risks associated with the type of securities that Cardinal Point might recommend to you or purchased for your account. Following are risks that might affect your investments.

- **General market risk** – the risk that the performance of or outlook for an industry, sector, region, or country or the general economic, social or political climate might negatively impact securities in general.
- **Interest rate risk** – the risk that a change in interest rates will have a negative effect on the value of fixed income securities or the securities of entities highly affected by interest rate levels.
- **Currency risk** – the risk that a security denominated in a currency other than Canadian dollars will be adversely impacted by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.
- **Inflation risk** - risk of decline in the purchasing power of the client’s savings due to a general rise in prices.
- **Security risk** – the risk that the issuer of a security will not meet its business, financial and other goals and that this will have a negative effect on the value of the issuer’s securities.
- **Default risk** – the risk that the issuer of a security will be unable to pay the interest, dividends or other payments owed to you and the associated risk that the market value of the security will be negatively affected as the possibility of a default increases.
- **Foreign market risk** – the risk of heightened volatility in the price of a security and/or a heightened possibility of financial loss as a result of the security being issued in or subject to the laws of a foreign jurisdiction.
- **Concentration risk** – the risk that focusing security holdings in a particular issuer, group of issuers, industry, sector, country or region or to produce a particular impact will entail more market value volatility and a great risk of financial loss than if security holdings were more diversified.
- **Derivative risk** – the risk that the counterparty to a derivative contract will not meet its obligations.
- **Liquidity risk** – the risk that a security can not readily be converted into cash when required.
- **Alternative strategies risk** – the risk that a fund that pursues alternative strategies, such as private equity and private debt, may not achieve its investment objectives or may incur substantial losses.

## 9. Using Borrowed Money to Purchase Securities

Securities may be purchased using available cash or a combination of available cash and borrowed money. If available cash is used to pay for the securities in full, the percentage gain or loss will equal the percentage increase or decrease in the value of the securities purchased. However, using borrowed money to purchase securities can magnify the gain or loss on the cash invested. This is called leveraging.

The use of leverage is not suitable for all investors. If you are considering borrowing money to make investments or considering providing us with borrowed money to make investments on your behalf, please be advised that a leveraged purchase involves greater risk than a purchase using available cash resources only. You need to consider carefully to what extent a leveraged purchase may create undue risk based on your personal circumstances, your risk tolerance and return objectives before borrowing money.

## 10. Best Execution of Trades

Cardinal Point will use all reasonable efforts to ensure that clients receive, with respect to orders for publicly traded securities on behalf of their accounts, the best execution of those orders by the investment dealers that Cardinal Point has chosen to use. The price and commissions charged by an investment dealer is not the only factor Cardinal Point will consider in selecting which investment dealer it will use. In selecting an investment dealer, Cardinal Point considers various factors in the context of any particular trade, including (i) price, (ii) size and type of transaction, (iii) commission, (iv) speed of execution, (v) certainty of execution, (vi) market, (vii) liquidity, (viii) reliability and trading relationship with the dealer and/or (ix) the client's requirements or portfolio objectives. Cardinal Point reviews its brokers on this basis annually.

Cardinal Point does not consider the provision of additional brokerage and research products and services, otherwise known as soft dollar arrangements.

## 11. Fair Allocation

Cardinal Point has a fair allocation policy in place to ensure that clients are treated fairly in situations of limited supply of securities. In the event that there are insufficient securities available to satisfy a purchase order, the securities will be allocated to the extent possible pro rata to the size of the clients' accounts taking into consideration the IPS of each client. In the case of an initial public offering ("IPO") with limited availability, allocations will be based on assets and target weighting in the applicable accounts. Partial fills to clients of IPO securities are allocated to clients on a pro rata basis.

## 12. Use of Benchmarks

An investment performance benchmark ("benchmark") is a standard against which the performance of an investment fund or an investment account can be compared. In some circumstances, a benchmark can be a specified rate of return or the return of another investment option, for example a 5-year Government of Canada bond. But typically, benchmarks are "market indices", for example the S&P TSX 60 Index, or a blend of market indices that are representative of the investment fund or account being considered.

Cardinal Point does not currently compare the rate of return of its client accounts to any benchmarks but may choose to do so in future.

## 13. Your Privacy

Cardinal Point has established protocols to prevent the loss of, unauthorized access to or disclosure of personal and/or confidential information that Cardinal Point collects about its clients. "Personal information" is defined in Canadian law as information about an identifiable individual and includes, but is not limited to, race, national or ethnic origin, religion, age, marital status, medical, education or



employment history, financial information, DNA, social insurance number and driver's license number. Please see Cardinal Point's privacy disclosure.

#### 14. Conflicts of Interest

Under applicable Canadian securities laws, we are required to address and manage existing, as well as reasonably foreseeable or perceived, material conflicts in the best interests of our clients. Please see our Conflicts of Interest Disclosure Statement.

#### 15. Our Complaint Handling Process

If you have a complaint we will make every reasonable effort to deal with it to your satisfaction. You may make your complaint orally or in writing. However, we request that you make your complaint in writing and provide as many relevant details as possible. Please see our Complaint Handling Policy.

**If you are a resident of Quebec:** Your independent service will be the Autorité des marchés financiers (the "AMF"). For more information about the AMF, please visit [autorite.qc.ca](http://autorite.qc.ca). You can contact the AMF via telephone toll-free at 1-877-525-0337.

#### 16. Your Protection as an Investor

Cardinal Point carries financial institution bond insurance in the amounts prescribed under *National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations* against various losses including but not limited to employee dishonesty, forgery, theft and other fraudulent means.

If your assets are held by a custodian, there may be additional coverage protecting your assets. Please consult your custodian(s) directly for additional information.

#### 17. Your Role in Our Relationship

It is important that you participate actively in our relationship. We encourage you to:

- provide us with full and accurate information about your financial situation, investment objectives, risk profile, time horizon and other information relevant to assisting you to meet your investment goals and promptly inform us of any material changes to that information that could result in a change in our assessment of the types of investments suitable for you
- carefully review the information in your account opening documentation and any other information provided to you in relation to your account and ask us any question you have about the information
- carefully review all account statements and reports you receive from Cardinal Point and your custodian(s) and promptly contact us to discuss and resolve any discrepancies between them and your own records
- consult professionals, such as a lawyer or an accountant for legal or tax advice where appropriate and
- ensure that you understand the information contained in this document by reading it carefully and asking questions of Cardinal Point or your Cardinal Point adviser if you need any clarification of your relationship with Cardinal Point or any individual acting on Cardinal Point's behalf.

#### 18. Trusted Contact Person and Temporary Holds

##### **Trusted Contact Person**

By choosing to provide information about a trusted contact person, you authorize Cardinal Point 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) to obtain your current contact information.

### **Temporary Holds**

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

Cardinal Point 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 with 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 in order 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.