

# Client Information Document

## **GP Wealth Management Corporation**

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## About GP Wealth Management

GP Wealth Management ("GPWM") is registered principally in the province of Ontario and operates in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick and Nova Scotia as a Mutual Fund Dealer and Exempt Market Dealer and is a Member of the Canadian Investment Regulatory Organization ("CIRO"), a national self-regulatory organization in Canada. Most of our dealings with you are through our Financial Advisors, who work closely with you to provide products and services. You can confirm our registration and that of your Financial Advisor with the securities regulatory authority in your jurisdiction. Please visit the Canadian Securities Administrators website for further information at [www.securities-administrators.ca](http://www.securities-administrators.ca).

## Important information for clients of GP Wealth Management

The purpose of this document is to provide you, as a client of GP Wealth Management, plain language disclosure of every aspect of our business as it relates to you. These aspects include:

- ☑ The nature of the advisory relationship
- ☑ The products and services we offer
- ☑ Business activities that are outside of GP Wealth Management
- ☑ How we handle your funds and personal information
- ☑ How your Financial Advisor determines your investor profile
- ☑ How your Financial Advisor selects products that are right for you
- ☑ An explanation of how we receive compensation
- ☑ The content and frequency of the reports you will receive from us
- ☑ How to contact us if you have a complaint about our service and
- ☑ How your personal information and investments are protected

## The advisory relationship

There are some expectations that, as part of the advisory relationship, you should fully understand when it comes to opening an account, transacting in your account and any recommendations related to transactions in your account.

## Opening and trading your account

Your Financial Advisor:

- ☑ Has an obligation to learn about your personal and financial circumstances which would include your savings goals and risk profile to ensure that each recommendation is suitable and in-keeping with your current circumstances
- ☑ Has an obligation to understand the products recommended to you to ensure they are suitable, given your current circumstances
- ☑ May only recommend investment products that are suitable, given the circumstances
- ☑ Has an obligation to disclose any known conflict of interest and putting your interest first in resolving the issue, and
- ☑ Cannot trade in your plan(s) with discretion, requires your authorization for each transaction and, generally, may not accept or act upon a general power of attorney.

Collectively this information forms the basis for a suitability determination, that must include putting your interest first in making a recommendation.

To aid in this process your Financial Advisor must complete an [Investor Profile Questionnaire](#) with you which is designed to probe and assess your investment knowledge, investment time horizon, investment objectives, and risk profile. An online version of the questionnaire is available at [www.gpwealth.ca](http://www.gpwealth.ca)

## When your Financial Advisor makes a recommendation

You, the client must:

- ☑ Inform your Financial Advisor of your circumstances or any significant changes to your circumstances.
- ☑ Review any relevant documents, including fund prospectuses or offering documents, to ensure full understanding of the offering or recommendation.
- ☑ Ask questions about the product, service, or strategy if you do not understand any aspect of an offering or recommendation; and
- ☑ Authorize each recommendation prior to execution.

## Addressing Conflicts of Interest when working with your Financial Advisor

GP Wealth Management Corporation recognizes the possibility of conflicts of interest arising between the interests of its Financial Advisors and the interests of you, as a client.

In the event a conflict or potential conflict of interest arises, GP Wealth Management Corporation and its Financial Advisor must demonstrate and ensure that it is addressed by the exercise of responsible business judgment influenced only by putting you first when addressing a conflict.

Furthermore, any conflict of interest that arises or can reasonably be expected to arise will be immediately disclosed to you by GP Wealth Management Corporation or by its Financial Advisor prior to proceeding with a proposed transaction that would give rise to the conflict or potential conflict of interest. For more information, please refer to our Conflict of Interest Disclosure Information document.

### **Adding a Trusted Contact Person (TCP) to Your Account**

Adding a Trusted Contact Person to your account is meant to help your Financial Advisor in their efforts to protect you in the event of unforeseen circumstances. It's a bit like providing an emergency contact person. Your Financial Advisor is required to ask you about adding a Trusted Contact Person (TCP) to your account. More details can be found on the Trusted Contact Person Form, and we would encourage you to review the form in detail with your Financial Advisor.

### **Conditions for Temporary Hold on Your Account**

GP Wealth Management and its Financial Advisors have an obligation to protect you and your account from any potential financial harm or exploitation.

If your Financial Advisor suspects any unusual circumstances, and reports the matter to our compliance department, we may place a temporary hold on your account.

You will immediately receive written notice with the reason for the temporary hold and we will conduct a review of the relevant facts to determine if a continued hold is appropriate.

After a review, we will provide you with notice regarding the decision to continue the temporary hold or that the temporary hold has been removed and the reasons.

*GP Wealth Management Corporation is an independent distributor of products and does not provide any proprietary products.*

## The products and services we offer

GP Wealth Management ("GPWM") and your Financial Advisor can offer a wide range of quality products and services. These include:

### Plans/Account Types

- ◆ Self-Directed Plans  
(Registered and non-registered)<sup>1</sup>
- ◆ Client Name Plans  
(Registered and non-registered)
- ◆ Open Plans  
(Individual, Joint, Corporate, In-Trust)
- ◆ Registered & Tax Advantaged Plans  
(RRSP, SRRSP, GRSP, LIRA, Locked-In RSP, TFSA, RIF, LIF, RLIF, RLSP, RDSP, RESP)

### Investment Products

- ◆ Mutual Funds
- ◆ Government Bonds
- ◆ Principal Protected Notes
- ◆ Investment Loans  
(RRSP, RESP, TFSA and Open)
- ◆ Guaranteed Investments Certificates
- ◆ Exempt Products<sup>2</sup>
- ◆ High Yield Savings Accounts

### Services<sup>3</sup>

- ◆ Financial Planning
- ◆ Wealth Management
- ◆ Education Planning
- ◆ Estate Planning
- ◆ Special Needs Planning
- ◆ Retirement Planning

## How we handle your funds

When opening an account or making an additional deposit into an existing account, there are many deposit options available to you:

### Personal Cheque

A personal cheque must be made payable to "GP Wealth Management, In Trust" and deposited to our designated client trust account when accepted.

Under no circumstances should a cheque you provide be made payable to the name of a Financial Advisor or the "approved trade name" of a Financial

*Under no circumstances should a cheque you provide be made payable to the name of a Financial Advisor or the "approved trade name" of a Financial Advisor.*

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<sup>1</sup> Self-Directed Plans offered through an introducing/carrying dealer arrangement. Please see "Introducing Carrying Dealer Arrangement" section for complete details.

<sup>2</sup> Contact GPWM to verify the registration category of your Financial Advisor.

<sup>3</sup> These services may be offered through the GP Group of Companies and/or through a Financial Advisor's outside business activity. Please contact GPWM to verify your Financial Advisor's outside business activity.

Advisor or be left blank in any area after you have signed it. Amounts deposited to the trust account of GP Wealth Management are used only for the purchase of approved products or securities.

## Electronic Deposit Options

- |  |  |
|--|--|
| <b>Bill Payment Deposit</b>            | ♦ Allows you to transfer funds from your bank account into your GP Wealth Account  |
| <b>One-Time Pre-Authorized Deposit</b> | ♦ Provides your financial advisor the authorization to transfer funds from your bank account into your GP Wealth Account |

All client cash deposits are segregated from the operations of GP Wealth Management, reconciled daily, managed in accordance with all regulatory requirements that must be adhered to and audited yearly by the independent auditors of the firm.

## Automatic Deposits

When accepting or updating pre-authorized deposit arrangements we require your authorization in accordance with [Canadian Payment Association](#) rules. We safeguard any banking information you provide as we safeguard all private information. Please see section “**Other information**” for details on protecting your information.

Once a personal cheque or one-time pre-authorized transfer is deposited in our designated client trust account, we cannot accept any request to purchase a security for three business days until the personal cheque or one-time pre-authorized transfer clears the banking system. If we receive notice that a deposit has been returned “Non-Sufficient Funds”, any transaction fees will be charged to you.

## Introducing Carrying Dealer Agreement

GP Wealth Management Corporation (“introducing dealer”) has entered into an agreement with B2B Bank Dealer Services Inc. (“carrying dealer”) whereby GP Wealth Management Corporation is responsible for opening and approving a client’s plan and supervising the Financial Advisor, including ensuring that the investments and trading activity in a client’s plan are suitable based on the information provided by a client. B2B Bank Dealer Services Inc. is

responsible for trade execution, trade settlement, custody of cash and securities, issuing account statements, trade confirmations and most tax reporting. A carrying dealer may pay a portion of its fees to GP Wealth Management Corporation and vice versa for providing services.

## **Business activities that are outside of GP Wealth Management**

All other products and services offered by your Financial Advisor are business activities that are outside of GPWM.

Your Financial Advisor may have another gainful occupation if that occupation is permitted and has received prior approval by GPWM allowing your Financial Advisor to engage in that other gainful occupation. This may include the sale of insurance products and segregated funds through our related firm, GP Capital Insurance Agency or another approved insurance provider.

Any sales and referrals of securities-related business by your Financial Advisor outside of GPWM are prohibited. GPWM makes no representations or warranties in connection with any outside business activity of our Financial Advisors.

## **Disclosure of Outside Business Activities**

Some of the products and services offered by your Financial Advisor may be outside the scope of GPWM offerings; as such, approval to offer these products and services must be provided by GPWM. In addition, a detailed disclosure document must be provided to you explaining the nature of the outside business activity and any potential conflicts of interest that may arise including a disclaimer that the products and services are neither supervised nor are they the responsibility of GPWM.

If you have any questions or concerns regarding whether a product or service is provided by or through GPWM, please review your GPWM account statement or contact Investor Services as noted in the contact section of this document.



*The KYC process is fundamental to the entire relationship between you, your Financial Advisor and GPWM.*

## **How your Financial Advisor determines your Investor Profile**

Before recommending a product, service or strategy that is right for you, GPWM and your Financial Advisor need to learn about you by obtaining many facts about your personal and financial circumstances; this process is what we refer to as the “Know Your Client” or (“KYC”) process. This KYC process is fundamental to the entire relationship between you, GPWM and your Financial Advisor.

To help ensure you understand this process, please review the definitions we use in collecting information in the section of this document entitled: An explanation of the terms we use in our “KYC” process.

### **Documenting your KYC using the Investor Profile Questionnaire (IPQ)**

Using the Investor Profile Questionnaire is an important piece in documenting the “Know-Your-Client” information and establishes a process for assessing a risk profile for you that includes:

- ☑ The understanding of the financial circumstances including liquidity needs, debts, assets, and income
- ☑ Appropriately interpreting the responses to questions and not attributing inappropriate weight to certain answers
- ☑ Assessing willingness to accept risk (Risk Attitude) and an ability to endure potential financial loss (Risk Capacity) when determining the risk tolerance for you

The Questionnaire consists of 15 questions and is divided into 5 categories: Investment Knowledge, Investment Time Horizon, Investment Objectives, Risk Capacity and Risk Attitude.

After completing the IPQ if your expectation for returns conflicts with your risk profile, you should have a detailed discussion with your Financial Advisor on the relationship between risk and return to reconcile such conflicts and establish realistic expectations. Overriding your risk profile or other KYC information to justify undertaking greater risk for potentially higher returns should not be undertaken.

Where after a discussion with your Financial Advisor it is determined that you do not have the capacity or tolerance to sustain the potential losses and volatility associated with a higher risk portfolio, your Financial Advisor must put your interests first and explain that your need or expectation for a higher return cannot realistically be met, and as a result, a higher risk portfolio is unsuitable.

If your goals or savings objectives cannot be achieved without taking greater risk than you are able or willing to accept, you should discuss alternatives with your Financial Advisor, such as saving more or extending your investment time horizon.

### **Updating the KYC and Suitability Determination**

The KYC process is a constant and on-going process. Events in your life may affect your financial circumstances. As a result, the suitability of the products you hold and the subsequent recommendations your Financial Advisor makes may change over time. To ensure your information is current and accurate your Financial Advisor and GP Wealth Management will regularly ask you to review and update the information already recorded for you.

Once your Financial Advisor has made a recommendation to you and you approve and authorize the recommendation, GP Wealth Management will review the suitability of the recommendation for you by referencing the detailed KYC information you have provided. If, during a supervisory review, we identify that a recommended product, service, or strategy may be unsuitable based on the information we have about you, we may query the recommendation with your Financial Advisor to ensure it is suitable.

In addition to reviewing the suitability of a recommended product, service or strategy made by your Financial Advisor, we review:

- ☑ Your current holdings to help ensure all the investments are suitable
- ☑ Your current holdings when you make us aware of a change in your circumstances by updating your KYC information on file
- ☑ Any holdings you move from another institution to GPWM, and
- ☑ When a new Financial Advisor is assigned to your plan(s)

*Ask your Financial Advisor  
if any of the KYC terms  
require greater clarity  
before you respond*

## An explanation of the terms we use in our KYC process

There are many factors that may affect the suitability of a recommended product, service, or strategy, that is right for you. To make that determination, your Financial Advisor must ask questions related to each item below in the KYC process and certain terms may require additional explanation and definition, which we have identified below.

### Investment Knowledge

Your investment knowledge should reflect your understanding of investing and the associated risks including conveying the tone of your experience with various types of investments. We use this information to provide some indication of your risk tolerance and to understand the types of products, strategies or services which may be suitable for you and with which you are familiar and those that may require a more detailed explanation or time to understand.

This information provides guidance to generally indicate your understanding of investment products and financial strategies and we record the information in 4 broad categories explained below:

<b>Investment Knowledge</b>	<b>Description</b>
<b>Novice</b>	Typically describes an investor with very limited knowledge or experience with products including bonds, mortgages, stocks, mutual funds, term deposits and real estate.
<b>Fair</b>	Typically describes an investor with some knowledge or experience with products including bonds, mortgages, stocks, mutual funds, term deposits and real estate.
<b>Good</b>	Typically describes an investor with average knowledge or experience with products including bonds, mortgages, stocks, mutual funds, term deposits and real estate.
<b>Sophisticated</b>	Typically describes an investor with extensive knowledge and experience with products including bonds, mortgages, stocks, mutual funds, term deposits and real estate.

## Investment (Product) Experience

This information is used to provide some indication of your risk tolerance and to understand the types of products, services or strategies which may be suitable for you and with which you are familiar and those that you may need more detailed explanations or time to understand. We record information about specific types of products you own or may have had experience within the past. Currently we ask if you have had experience with the following types of products:

Products	Description
<b>Term Deposits</b>	Includes short term and long term Guaranteed Investment.
<b>Bonds</b>	Includes corporate and government debt that is vulnerable to interest rate and market value fluctuations.
<b>Mortgages</b>	Includes borrowing to buy a home, investment property, Line of Credit, Investment Loans (RSP/Leverage) or Personal Loans (Auto).
<b>Stocks</b>	Includes common shares and their derivatives as well as commodities and futures.
<b>Mutual Funds</b>	Includes fixed income and dividend income funds and equity funds.
<b>Real Estate</b>	Includes owning a home (principal and vacation), investment properties or land.

## Annual Income

When we request this information, we refer to your personal gross annual income from all sources which includes employment (earned), pension (company and government) and investment income (interest and dividends). The information is a vital part in helping us assess and offer suitable products, services, or strategies.

## Net Worth

We ask for a summary of your net worth information which consists of your liquid assets, fixed assets, and total liabilities.

In some instances, depending on the product, service, or strategy recommended, we may ask you to provide more detailed net worth

information to help assess the suitability of the recommended product, service, or strategy.

<b>Net Worth Category</b>	<b>Description</b>
<b>Total Liquid Assets</b>	A total of assets including all Cash Savings, Term Deposits/GICs, Securities (Individual/Mutual Funds), other securities including RRSP, RESP, TFSA and any other property readily convertible to cash.
<b>Total Fixed Assets</b>	A total of assets including your home, investment properties, vacation properties, vehicles and any other property (pensions, LIRA/LIF) that is not readily converted to cash and not net of any liabilities against those assets.
<b>Total Liabilities</b>	Includes credit cards, mortgages, line of credit balances, car loans, personal bank loans or any other indebtedness or amounts owing against any assets identified above.

### **Investment Time Horizon**

When we ask for this information, we intend for you to indicate the time when you believe you will need to access 30% or more of the portfolio to which this question refers. We then use this information to help determine if an investment is suitable for you given the time period you have indicated. You may have more than one plan with us with a different investment time horizon for each plan.

### **Investment Objectives**

We document and use this information to ensure that your financial goals can be met with the investments you own and are being recommended for you. We record the information about your investment objectives in four categories and ask you to apportion the investment objective percentage(s) of the plan accordingly. You may have more than one plan with us with different objectives indicated for each plan.

<b>Investment Objective</b>	<b>Description</b>
<b>Safety</b>	<p>This would be the portion of the portfolio in your plan that you cannot afford to lose any value regardless of your risk tolerance, and is typically invested in GICs, term deposits, daily and high interest savings accounts.</p> <p>This objective indicates a desire for “guaranteed income” in the type of investments suited to meet your needs.</p>

<b>Income</b>	<p>This would be the portion of the portfolio in your plan that is invested in securities such as fixed income products that produce interest income or common shares that produce dividend income.</p> <p>This objective indicates a desire for "interest Income" and "dividend income" in the type of investments suited to meet your needs.</p>
<b>Growth</b>	<p>This would be the portion of the portfolio in your plan that is invested in common shares that provide for capital appreciation of assets and produce capital gains.</p> <p>This objective indicates a desire for "growth" in the type of investments suited to meet your needs.</p>
<b>Speculation</b>	<p>This would be the portion of the portfolio in your plan that is invested in assets where you are willing to lose up to 100% of the investment, typically invested in exempt market products and venture capital funds.</p> <p>This objective indicates a desire for "aggressive growth" in the type of investments suited to meet your needs.</p>

### Risk Tolerance

We document and use this information to ensure that your financial goals can be met with the investments you own and are being recommended for you. When asking you to indicate your risk tolerance, we record it in six (6) categories and ask you to apportion your Risk Tolerance for your plan accordingly.

Your Risk Tolerance will be determined by assessing both your Risk Capacity – your ability to withstand losses, and your Risk Attitude – your willingness to accept risk. It is important that your Risk Tolerance be the lesser of your ability to withstand losses and your willingness to accept risk. Keep in mind, while higher returns are generally associated with higher risk, higher risk investments may not achieve higher returns.

<b>Risk Tolerance</b>	<b>Description</b>
<b>Very Low</b>	For an investor seeking an expected rate of return and with a very low risk of losing money over the short to long term; typically for Daily and High Interest Savings Accounts, Treasury Bills, Term Deposits (GICs).

<b>Low</b>	For an investor seeking an expected rate of return sufficient to provide some current income with a low risk that they will lose money in ordinary circumstances over the medium to long term; typically for Money Market Funds, many Canadian Fixed Income Funds, Municipal, Provincial and Federal Bonds and Mortgages.
<b>Low to Medium</b>	For an investor expecting less than normal returns, but with a low risk, although higher than the "low" category, of losing money over the medium to long term; typically for Asset Allocation Funds and Balanced Funds, although some Equity Funds may qualify.
<b>Medium</b>	For an investor expecting normal rates of return from equity investments with a normal amount of risk; typically for Canadian and North American Equity funds, as well as Global Large Cap Equity Funds.
<b>Medium to High</b>	For an investor seeking slightly higher than normal rates of return and willing to undertake above average risk to achieve that; typically for Equity Funds that invest in specific countries (emerging markets) or specific sectors of the economy.
<b>High</b>	For an investor seeking higher returns and willing to take a substantial risk that they will lose money; typically for Equity Funds that invest in specific countries (small cap stocks in emerging markets) or specific sectors of the economy (small cap or venture capital).

**Ask your Financial Advisor if any of the terms above require greater clarity before responding.**

## **How your Financial Advisor selects products that are right for you.**

Your Financial Advisor is required to know the approved products they recommend in addition to knowing your personal and financial circumstances. By combining the knowledge of your circumstances and the approved products available, your Financial Advisor can recommend products, services, and strategies that are suitable for you.

Your Financial Advisor must take reasonable steps to ensure that the investment products:

- ☑ Have been reviewed and approved by GP Wealth Management.
- ☑ Have been assessed on their relevant aspects, including for their structure, features, risks, initial and ongoing costs, and the impact of these costs.
- ☑ Are suitable and in accordance with your investment time horizon, investment objectives and risk profile
- ☑ Are monitored for significant changes

Each approved product is tracked based on their investment objective and risk ranking and then compared to your stated investment objectives and risk tolerance to ensure they are suitable for you.



*For a complete list of fees and charges including sales commissions and plan fees please refer to the Compensation Disclosure Document.*

## Charges and Compensation paid to GP Wealth Management and your Financial Advisor

GP Wealth Management Corporation ("GPWM") is a registered investment (mutual funds) dealer authorized to solicit and place orders for securities of Mutual Funds, GICs and Daily Interest Savings Products, Loan Products and Government Bonds of many different Financial Institutions. In performing our services on your behalf, we may be eligible to receive a commission, service fee or advisory fee from one or more sources, as described below.

There are two basic ways that you can pay GPWM and your Financial Advisor for services: through "fee for service" or "embedded fees".

### Fee for Service

In this model of payment, you don't pay a sales commission when buying or selling a financial product. Rather, you pay GPWM and your Financial Advisor an advisory fee based upon our fee schedule below<sup>1</sup>.

Account Assets Under Management	Tier Level	Advisory Fee
The First \$99,999	\$0-\$99,999	1.50%
The Next \$150,000	\$100,000-\$249,999	1.25%
The Next \$250,000	\$250,000-\$499,999	1.00%
The Next \$250,000	\$500,000-\$749,999	0.75%
The Next \$750,000	\$750,000-\$1,499,000	0.50%
Amounts Over \$1,500,000	\$1,500,000+	0.25%

Your Financial Advisor will then only recommend financial products that do not have embedded fees or commissions.

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<sup>1</sup> Ask your Financial Advisor for the Signature Service Account Addendum which describes the full details of our Fee for Service Option.

The fee-for-service option eliminates the confusion of paying different fees and commissions on different products and can provide greater flexibility for managing your portfolio. As well, for larger accounts, it can result in lower advisory fees because the more assets you have invested, the less you pay in fees as a percentage of the total assets.

### **Embedded Fees**

In this model of payment, an embedded commission, sometimes referred to as a "Trailer Commission" or "Service Fee" is included in the overall product cost. For example, if you purchase a mutual fund, an embedded trailer fee would be paid monthly to GPWM and your Financial Advisor for their ongoing account services and investment advice for as long as you own the product.

Below is a list of the products we provide and a general explanation of the costs and compensation we receive when you purchase a product.

### **Investment or Mutual Funds**

In recommending a mutual fund purchase it is our responsibility to ensure that the fund selected is suitable for you, based on our knowledge of you as obtained through the KYC process described above, regardless of the nature or source of compensation we will receive from the transaction.

The following information summarizes the various categories of compensation available with the purchase of mutual fund securities:

#### **Front-Load Funds**

Investment Funds that are recommended by your Financial Advisor with a sales charge ("front load funds") require the deduction of a sales commission from the amount of your purchase order generally ranging from 0 to 5% of the purchase amount. The net amount of your purchase is then invested in the investment fund at its current net asset value.

#### **Deferred-Load Funds**

Investment Funds which are recommended by your Financial Advisor with a deferred sales charge option ("deferred-load funds") requires no deduction from the amount of your purchase however your investment may be subject

to a redemption charge if you redeem your investment within a specified time after purchase, generally within 3-7 years.

Under the deferred charge method of purchase, GPWM receives a sales commission at the time of purchase of up to 5% of the purchase amount directly from the fund manager.

<b>DSC Schedule*</b>	
Period After Purchase	Redemption Charge Rate
First year	5.5%
Second year	5.0%
Third year	4.5%
Fourth year	4.0%
Fifth year	3.0%
Sixth year	2.0%
Seventh year	1.0%
Thereafter	NIL

The DSC Schedule\* Chart is intended to provide you with an example of how the deferred fee would impact you if you sold your fund.

Refer to the Fund Facts Document for the DSC Schedule for any mutual fund you are interested in purchasing with this option.

**Important Note:**  
**Effective January 1, 2022, the DSC purchase option will no longer be available. All existing investments purchased under the DSC option will retain the DSC Schedule until maturity.**

### **No-Load Funds**

Investment Funds that are recommended by your Financial Advisor on a no sales charge basis ("no load funds") do not require the deduction of any sales commission from the amount of your purchase order. The gross amount of your investment is invested in securities of the fund at its current net asset value.

### **Service Fees (Trailer Commissions)**

Service fees, also known as trailer commissions, are generally paid by a fund manager to GPWM as long as you maintain your investments in the fund. The service fees are paid to GPWM to provide ongoing services to you after the date of purchase, for which no further sales commission would otherwise be received. Some fund managers do not pay service fees to GPWM.

The service fee can range from 0.25%-0.50% for fixed-income funds to 0.50-1.00% for equity funds. The service fee accounts for a portion of the total product cost that the fund manager charges you each year referred to as the

Management Expense Ratio (MER). If you would like to know more about the MER for any mutual fund, refer to the Fund Facts Document, which provides the key details to make an informed decision and allows you to easily compare similar funds.

### **Other Compensation or Incentives**

Some mutual fund companies/managers provide additional compensation to GPWM to educate and promote the distribution of their mutual funds. Most common types of compensation include marketing support programs providing for reimbursement of advertising or promotional expenses incurred in the solicitation of mutual fund sales; and sales conferences and educational seminar programs held at locations in Canada or the continental United States. Our policies which include full disclosure of compensation ensures that our Financial Advisors place your needs first with respect to promotion, advertising and marketing support programs for which compensation may be paid or received.

There may be other fees or costs charged by the mutual fund company/manager depending on the investment product purchased. You should always refer to the mutual fund prospectus or offering memorandum for additional details regarding specifics of the compensation and fees associated with each product recommended.

A summary of fund expenses, investor expenses and all dealer compensation is required to be set out on the inside front cover of each mutual fund prospectus, with such items more fully explained in the text of the prospectus. We recommend that you read the prospectus carefully before investing and retain it for future reference, together with all information pertaining to products provided by your Financial Advisor and GPWM.

### **Guaranteed Investment Certificates GICs and Daily Interest Savings Products**

GICs and Daily Interest Savings products are sold on a no sales charge basis and do not require the deduction of any commission from the amount of your purchase or deposit. The full amount of your purchase or deposit is invested and the financial institution pays us a onetime fee when you purchase the

product. Generally, the fee is 0.25% of the deposit amount and is paid for each year that the deposit remains invested.

### **Loan Products**

GPWM and your Financial Advisor do not receive any form of fees or commissions when providing RRSP, RESP, TFSA or Investment Loans. Although no fees or commissions are charged or earned by GPWM and your Financial Advisor, you should be aware that the proceeds from a loan product that are used to purchase investment products may generate a fee or commission to GPWM and your Financial Advisor.

### **Government Bonds**

Like a GIC, Daily Interest Savings products and Government Bonds are sold on a no sales charge basis and do not require the deduction of any commission from the amount of your purchase. The full amount of your investment is invested in purchasing a Government Bond.

### **Insurance Products**

All segregated funds, life, disability, critical illness, long term care and health and dental insurance products are sold on a no sales charge basis and do not require the deduction of any commission from the amount of premium payment. Insurance Products are provided through a related firm, **GP Capital Insurance Agency Ltd** or other approved insurance providers and is not supervised by GPWM.

### **Important Notice**

Your Financial Advisor must provide a complete explanation of any compensation paid for any of the approved products or services recommended to you. If any aspect of compensation is unclear to you after speaking to your Financial Advisor, please contact the Investor Services Department at 1-800-608-7707 or by email at [investorservices@gpwealth.ca](mailto:investorservices@gpwealth.ca).

## **The content and frequency of reporting to you**

### **Delivery of Account Statement**

You will receive an account statement four times per year (as of March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup>) generally 20 days after

quarter end and you may receive approved portfolio summaries directly from your Financial Advisor. You may also obtain access to your account statements through our secured online access system.

### **Delivery of Performance Reporting**

In addition to receiving a quarterly account statement, GPWM will provide you with performance reporting that includes:

- ☑ the total market value of the plan as at the start of the period covered by the report
- ☑ total assets deposited/withdrawn during the period covered by the report
- ☑ the total market value of the plan as at the end of the period covered by the report; and
- ☑ gain or loss in the plan as at the end of the period covered by the report
- ☑ Year-over-year performance in each of the past 5 years, and the compounded rate of return for the previous 1-year, 3-year, 5-year and 10-year periods, and since inception (values will be displayed once accounts have matured and historical data is available)

### **Delivery of Charges and Compensation Reporting**

In addition to receiving a quarterly account statement, we will provide you with a quarterly Charges and Compensation Report that includes:

- ☑ Summaries of total amounts paid to service your accounts
- ☑ Disclosures of charges paid by you for advice and account management
- ☑ Details showing the dollar amount of any commissions — front-end, deferred sales charge (DSC) and trailing — paid directly and indirectly by you

### **Delivery of Trade Confirmation**

GPWM relies on the fund company or manager of a mutual fund to deliver you a written confirmation of a trade in a mutual fund. The confirmation of the trade will include the following:

- ☑ the quantity and description of the security
- ☑ the price per share or unit at which the trade was effected
- ☑ the full name of the dealer "GP Wealth Management Corporation" whether or not GPWM is acting as principal or agent
- ☑ if acting as agent, the name of the person or company from or to or through whom the security was bought or sold
- ☑ the plan type through which the trade was effected

- ☑ the commission, if any, charged in respect of the trade
- ☑ the amount deducted by way of sales, service, and other charges
- ☑ the amount, if any, of deferred sales charges
- ☑ the name of the Financial Advisor, if any, in the transaction
- ☑ the date of the trade; and
- ☑ the settlement date.

All other products purchased through GPWM such as Government Bonds, Principal Protected Notes, High Yield Savings Accounts, GICs, Exempt Products and Investment Loans will be confirmed by the Financial Institution issuing the product.

### **Impact of Fees on Your Investment Returns**

Investment fund management fees, ongoing fees, operating charges and transaction costs can impact your investment returns. These fees reduce the overall return on your investments because they are deducted from the investment fund prior to calculating the performance return. The compounding effect of fees on investment returns refers to how fees can reduce the overall value of an investment over time. When fees are charged, they decrease the amount of money that can earn investment returns. It is important to note that investment returns are reported net of fees.

### **Tracking your performance with Benchmarks**

What is a benchmark? Typically, a benchmark is a market or sector "index" against which the performance of a mutual fund can be measured. For example, if a mutual fund invests mainly in stocks of Canadian Companies, the benchmark might be the "S&P/TSX Total Return Index", which tracks companies trading on the Toronto Stock Exchange. By comparing a mutual fund to an appropriate benchmark, you can then see how the investments held by the mutual fund performed compared to the market or sector in general. Below is a list of benchmarks generally used against a typical mutual fund in each category.

Canadian Bond Fund	○ Canadian Fixed Income Peer Index
Global Bond Fund	○ Globe Global Fixed Income Peer Index
Canadian Stock or Equity Fund	○ S&P/TSX Total Return Index
US Stock or Equity Fund	○ S&P 500 Composite Total Return Index
Global Stock or Equity Fund	○ MSCI World Index

We encourage you to contact your financial advisor for additional information on benchmarks or if you have any questions on the use of benchmarks.

## **Other information**

### **How we handle your personal information**

GP Wealth Management Corporation ("GPWM") is committed to protecting the privacy of your personal information that we collect and maintain while carrying on our business.

Generally, we need to collect personal information to:

- ☑ Understand your needs and eligibility,
- ☑ Continue to offer you the full range of products and services that we believe meet your changing needs and to service such products and services,
- ☑ Meet regulatory or contractual requirements relating to the products and services provided to you.

We collect only the information we need for the purposes we have identified to you. Our files are kept for the purpose of providing products and services that we believe are right for you, over your lifetime. Access to your personal information is restricted to employees, your Financial Advisor, and authorized service providers.

We have developed and continue to enhance security procedures to safeguard and protect your personal information against loss, theft, unauthorized disclosure, copying, and unauthorized use or modification.

We maintain appropriate safeguards and security procedures that reflect the types of documents in our care, including electronic or paper records, and limit access on a "need-to-know" basis, including technological measures such as the use of passwords and encryption.

You may register a privacy-related complaint by contacting GP Wealth Management Corporation's Privacy Officer. We will investigate all complaints. If a complaint is justified, we will take all appropriate steps to set the



situation right, including changing our policies and practices if necessary. We will also let you know what other complaint procedures may be available to you.

### **How to contact us if you have a complaint**

GP Wealth Management has procedures in place to handle any written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients and any clients who have filed a complaint. This summary can also be found on our website at [www.gpwealth.ca](http://www.gpwealth.ca).

#### **The Client Complaint Information Form**

We also provide new clients and clients who complain with an additional document called the *Client Complaint Information Form* ("CCIF") that provides general information about options for making a complaint.

#### **How to File a Complaint with GP Wealth Management**

Clients wishing to complain to **GP Wealth Management** may make their complaint to our head office by contacting the **Compliance Department** or to any branch manager or Financial Advisor. All complaints are forwarded to qualified compliance or supervisory personnel to be handled. We encourage clients to make their complaint in writing or by email, where possible. Where clients have difficulty putting their complaint in writing, they should advise us so that we can provide assistance. For confidentiality reasons, we will only deal with the client or another individual who has the client's express written authorization to deal with us.

#### **Complaint Handling Procedures**

We will acknowledge receipt of complaints promptly, generally within **five days**. We review all complaints fairly, considering all relevant documents and statements obtained from the client, our records, our Financial Advisor, other staff members and any other relevant source.

Once our review is complete, we provide clients with our response, which will be in writing. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons or another appropriate response. Where the complaint relates to certain serious allegations, our initial

acknowledgement will include copies of this summary and the CCIF. Our response will summarize your complaint, our findings and will contain a reminder about your options with the Ombudsman for Banking Services and Investments<sup>2</sup>.

We will generally provide our response within ninety days (90), unless we are waiting for additional information from you, or the case is novel or very complicated.

We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

### **Settlements**

If we offer you a settlement, we may ask you to sign a release and waiver for legal reasons.

### **Contacting GP Wealth Management**

Clients may contact us at any time to provide further information or to inquire as to the status of their complaint, by contacting the individual handling their complaint or by contacting the **Compliance Department**.

<sup>1</sup> Clients who choose to communicate by email should be aware of possible confidentiality issues regarding internet communications.

<sup>2</sup> As defined in the Policies of the Canadian Investment Regulatory Organization of which GP Wealth Management Corporation is a member.

## **Investor protection and compensation funds**

### **Canadian Investor Protection Fund ("CIPF")**

The following is a general description of the coverage provided by the Canadian Investor Protection Fund. Full details of coverage and how customer claims are handled are available at [www.cipf.ca](http://www.cipf.ca) or by calling toll free at **1 866 243 6981**.

#### **About the Canadian Investor Protection Fund (CIPF)**

CIPF exists to provide compensation to you if your assets are unavailable because a mutual fund dealer becomes bankrupt. The CIPF is sponsored by the Canadian Investor Protection Fund (CIPF) and coverage is automatic when you become a customer of a CIRO Member. There are no fees to you, the investor.

### **Amount of coverage**

Coverage is in the amount of up to \$1 million per customer account in respect of the loss of customer property held by a CIRO Member. Most customers will have two “accounts” for coverage purposes, a general account and a separate account (see covered assets and accounts below), that are each eligible for up to \$1 million coverage.

### **Covered assets and accounts**

CIPF protection extends, within its limits, to cash, securities, segregated funds and certain other property held by a CIRO Member. Customers with accounts in Quebec are not covered by CIPF for Mutual Fund Dealers.

Each of your non-registered accounts held at the insolvent firm will be aggregated as one general account to the extent that the accounts are held in the same capacity and circumstances.

Some accounts at the insolvent firm are considered separate accounts. These include registered retirement plan accounts such as RRSPs, RRIFs, LIRAs, etc. which will be combined into one separate account for coverage purposes.

### **Losses not covered**

The CIPF covers losses arising as a result of the insolvency of a CIRO Member. Losses caused by other reasons such as the change in the market value of mutual fund securities, unsuitable investments or default of an issuer of a security, are not covered.

Customer assets not held by the CIRO Member or not recorded in a customer's account as being held by a CIRO Member (such as mutual fund securities that are registered directly in your name with the mutual fund company) are not eligible for CIPF coverage, unless the asset is otherwise in the custody or control of the Member.

### **Transfer of assets**

In some cases, in the event of your CIRO Member's insolvency, your assets will be transferred to another securities firm or CIRO Member. This permits

continued access to your account holdings without having to claim them in an insolvency.

### **Making a claim**

Claims of a customer of an insolvent CIRO Member should be made directly to the trustee in bankruptcy or the receiver, if one has been appointed. The CIPF may rely on the trustee in bankruptcy under the Bankruptcy and Insolvency Act (Canada) or on the receiver under applicable law in determining the amount and eligibility of your claim. You must file a proof of claim within 180 days of the date of bankruptcy or insolvency or by the date established by the receiver or trustee.

### **Guarding against insolvencies**

Mutual fund dealer bankruptcy is a rare occurrence. The CIPF relies on the adequacy of the CIRO's prudential regulation. The CIRO has experience in identifying certain conditions or activities that may indicate financial difficulties and carries out this monitoring on a continuous basis.

### **Where this protection comes from**

The CIPF maintains a fund to which each CIRO Member contributes. The CIPF assesses each Member according to certain criteria and in consultation with the CIRO. The principle is that CIRO Members are to be collectively responsible for the payments of client losses arising as a result of the insolvency of a CIRO Member.

If a member's insolvency depletes the cash of the CIPF, the CIPF will call on the Members for additional funds. This situation may result in payments made to customers over time, as assessments are collected.

### **Additional information can be obtained by contacting the CIPF at:**

Canadian Investor Protection Fund  
First Canadian Place  
2610-100 King St. W  
Toronto, ON, M5X 1E5  
Toll Free: 1 866 243 6981  
Email: [info@cipf.ca](mailto:info@cipf.ca)  
Website: <https://www.cipf.ca/>

## Canada Deposit Insurance Corporation (“CDIC”)

### Who we are and what we do

The Canada Deposit Insurance Corporation (CDIC) is a federal Crown corporation created by Parliament in 1967 to protect your deposits made with member financial institutions in case of their failure. CDIC is NOT a bank or a private insurance company.

### CDIC insures eligible savings

CDIC is a Federal Crown corporation that contributes to the stability of the Canadian financial system. Protecting Canadians’ savings is our job. CDIC automatically insures many types of savings against the failure of a bank or financial institution that is a CDIC member. However, **NOT all savings** are insured and CDIC deposit insurance does not protect against fraud, theft or scam.

### It’s important to know...

Banks and other financial institutions in Canada can fail. It does not happen often, but it has happened, and it could happen again. If your financial institution is a CDIC member and it fails and your savings are eligible for CDIC coverage, you will get up to \$100,000 of your savings back. If your savings are NOT covered, you might lose them.

### Additional information can be obtained by contacting the CDIC at:

Canada Deposit Insurance Corporation  
50 O’Connor Street, 17th floor  
Ottawa, Ontario  
K1P 6L2

Telephone: 1-800-461-2342  
Email: [info@cdic.ca](mailto:info@cdic.ca)  
Website: <http://www.cdic.ca>

