

## Client Relationship Disclosure

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This disclosure must be provided to all new clients of FundEX Investments Inc. upon account opening.

### **Nature of the advisory relationship**

The client is responsible for making investment decisions but can rely on the advice given by their representative, the representative is responsible for the advice and ensuring that it is suitable based on the client's investment needs and objectives.

### **Products and services offered by FundEX Investments Inc.**

FundEX is a mutual fund dealer that provides mutual funds offered via prospectus. FundEX is also an exempt market dealer that provides exempt market products. Additionally, FundEX is registered to provide segregated funds, however it is not required that all segregated funds be provided through FundEX. Please contact your representative to determine if any of your segregated funds are held outside of FundEX.

### **Procedures Regarding Handling of Cash and Cheques**

FundEX does not accept cash from clients for the purchase of mutual fund products or services. All client purchases must be by cheque made payable to: "FundEX Investments Inc. In Trust." Clients must never make cheques payable to their representative. Additionally, representatives must always refuse to accept cash or cheques made payable to themselves.

### **Suitability of Trades**

FundEX is required under securities legislation and MFDA Rules to ensure that each recommendation made is suitable for you (the client) in relation to your investment objectives, risk tolerance, and other personal circumstances. Additionally, FundEX has an obligation to perform a suitability determination on your account(s), whether or not the recommendations are made by your representative or if you request specific transactions.

FundEX will perform a suitability assessment in the following circumstances:

- When you (the client) transfer assets into an account with FundEX;
- When FundEX or your representative becomes aware of a change in your personal information or circumstances that result in changes to your stated risk tolerance, time horizon or investment objectives or a significant impact on your stated income or net worth.
- When there is a change in your representative at FundEX.

### **Content and Frequency of Reporting**

Clients will receive a FundEX quarterly statement in January, April, July, and October of each year. Additionally, a monthly statement will be sent to those clients which have trading activity in exempt market products. These statements will be sent to clients by the end of the month following the end of the statement period. The statement will include at a minimum:

- the type of account;
- the account number;
- the date the statement was issued;
- the period covered by the statement;
- the name of the Representative(s) servicing the account, if applicable;
- the name, address and telephone number of FundEX Investments Inc.;
- a summary of portfolio holdings; and
- a summary of trading activity for the specified period.

Clients will also receive Client Transaction Confirmations which are issued by the fund company's directly or the trustee that holds the client account.

## KYC Definitions

### *Investment Knowledge*

**High-** You have an advanced understanding of investment principles and their associated risk. You are a sophisticated investor with a great deal of investment experience

**Moderate-** You have a good understanding of investment principles and their associated risk.

**Low-** You have basic understanding of investment principles and their associated risk

**Very Low-** You have little or no investment experience

### *Investment Objective*

**Safety-** Your objective is mainly the protection of the principal investment. The investment selection could include money market funds, GICs and cash.

**Income-** Your objective is mainly to generate an income from your investments and you are less concerned with capital appreciation. This could be fixed income funds that invest in bonds and money market funds.

**Growth-** Your objective is capital appreciation and current income from investments is not a requirement. This may lead you to hold a relatively high portion of funds that invest in equities if you also have a moderate or higher risk tolerance and longer term horizon.

### *Risk Tolerance*

**Very Low-** You are not willing to accept losses or volatility in your portfolio. Examples of products you may choose to invest in: money market funds (with a fixed unit price) or cash.

**Low-** You are willing to forego potential gains to ensure that losses and volatility in your portfolio are minimal. Examples of products you may choose to invest in: GICs, short-term bonds, or instruments where principal is guaranteed.

**Low to Moderate-** It is important that losses and volatility in your portfolio are limited, but you desire growth of your portfolio to keep pace with inflation. Examples of products you may choose to invest in: bond funds, asset allocation funds, balanced funds.

**Moderate-** You desire a portfolio that has the potential for some growth in value and are willing to accept the potential for some losses and moderate volatility. Examples of products you may choose to invest in: dividend funds, equity funds.

**Moderate to High-** You desire above average performance. In doing so, you accept that your portfolio has increased potential to experience larger losses and moderate volatility. Examples of products you may choose to invest in: small and mid cap equity funds, or some sector specific funds (such as health care funds or natural resources funds).

**High-** You desire the potential for the greatest amount of growth. In doing so, you accept that your portfolio will likely experience significant losses from time to time and have higher than average volatility. Examples of products you may choose to invest in: emerging market equity funds, or investments using alternative strategies.

### **Compensation and Reference to Other Sources of Information**

FundEX Investments Inc. may receive a commission at the time of sale of an investment and may earn an ongoing commission (trailer fees) for as long as the client holds the investment. For more information regarding compensation, please refer to the applicable simplified prospectus or offering memorandum or speak to your representative.

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Client Name

Client Signature

Date (MM/DD/YYYY)