



Monthly Statement

Frequently Asked Questions (FAQs)

On February 7, 2011 (the “Conversion Date”), Penson Financial Services Canada converted its books and records system from the IBM platform to Broadridge’s Brokerage Processing Services (“BPS”) platform. Set out below are answers to some frequently asked questions regarding the conversion that we trust will be helpful to you.

1. Why were two (2) monthly statements (“Statements”) received for the month of February 2011?

- You received two (2) Statements for the month of February 2011. The first Statement was prepared based on IBM’s records and will reference account activities which occurred prior to the Conversion Date under your previous account number. The second Statement was based on Broadridge’s record (the “BPS Statement”) and will reference account activities which occurred on or after the Conversion Date under your current account number.

2. How are accounts combined for household mailing of BPS Statements?

- Household mailing is established by having the same name and address information on our system for each relevant account. Statements containing the exact same name and address information will be mailed to you in a single envelope or package.
- Each Statement package will contain an Account Summary (“AS”) page and separate Statements for each different account type and currency account per household.

3. What does the asterisk (*) signify in the Account Summary section on the BPS Statement?

- If an asterisk appears next to your account number on the Account Summary page, this means that no activity has occurred in the relevant account during the relevant BPS Statement period. You will see the following message included in your Account Summary: “There was no activity during the statement period for this account therefore a separate statement for this account was not produced.”
- The BPS Statements are sent to you monthly for any accounts that have had activity in the relevant period. Please note that for accounts where no activity has occurred during the relevant period, Statements are prepared and sent quarterly (i.e., for the quarter ending in March, June, September and December of each calendar year).

4. How do you read a BPS Statement?

- The first page is the Account Summary page listing a summary of accounts in your household under the section “Portfolio Summary”.
- The top right section of the Account Summary page indicates the relevant BPS Statement period and your client number (limited to the first 8 digits of the account number). This is referred to as the “top account number” for the household.
- The “Portfolio Summary” lists the summary of account numbers and the value of accounts included in your household.
- The “Details of Account Activity” section lists the account type and 10 digit account number. It also includes the account’s opening balance, activity for the BPS Statement period and closing balance of the account.
- The “Account Holdings” section sets out the securities held in each account.
- The “For Your Information” section includes disclosure and other relevant information.



5. Why did the “Value as of Last Statement” section on the BPS Statement appear as “0” on my February BPS Statement?

- “The Value as of Last Statement” section on the BPS Statement will appear as “0” for all accounts since no account statement was produced based on information contained in BPS in the month of January 2011.

6. Will I receive a BPS Statement for each different currency held in the account?

- Yes, you will receive a separate BPS Statement for each different currency held in the account.

7. What prices are used to value securities on the BPS Statement?

- For Canadian dollar (“CAD”) currency accounts, the securities’ closing price is used when available; otherwise, the bid price is used (as provided by an independent data provider).
- For U.S. dollar (“USD”) currency accounts, the securities’ closing price is used when available; otherwise, USD equivalent of the bid/close price is used (as provided by an independent data provider).
- For accounts in a currency other than CAD or USD, the securities’ closing price or bid price is used when available (as provided by an independent data provider).

8. Why were prices for certain securities not displayed or may be valued differently on the BPS February 2011 Statement?

- Penson relies on independent third party valuation providers to provide valuation and market price information of securities. Certain securities, such as private placements, limited partnerships, restricted stock, warrants, annuity products and other non-traditional assets, are or may be difficult to value as they may not be listed on any exchange or marketplace and may be highly illiquid.
- The estimated current prices and values of such securities/assets may be reflected on your Statement as “Not Priced”, blank or at a price of zero in certain circumstances, including: (i) where an independent valuation firm has not supplied or is unable to assign a value to such asset; (ii) where Penson becomes aware of a material event which may impact the value of such asset, or (iii) where providing a value to such asset would be highly speculative due to the nature of the asset.
- Please note that the value of the positions indicated in your Statement may differ substantially from the prices at which such securities/assets may be brought or sold and may not represent the value you would receive upon liquidation.

9. What FX rate was used on the BPS Statement?

- The FX rate used on Statements is the average of both the buy/sell rates as of the last business day of the relevant month. For example, the FX rate for February 28, 2011 was 0.971600 (the average of the buy rate of 0.98410 and sell rate of 0.95910).