The Retire First Client Relationship

How to understand your account objectives, time horizon, risk tolerance, management options, commissions, fees and performance reporting

IIROC Investment Industry Regulatory Organization of Canada

Retire1st

Active Financial Management

A division of Retire First Ltd.

CIPF Canadian Investor Protection Fund MEMBER

About Us

Retire First Ltd., through our relationship with Fidelity Clearing Canada ULC., strives to exceed clients' expectations by delivering trusted advice, quality service and ensuring that your needs always come first. Retire First is responsible for the "knowing the client" relationship and the supervision of your accounts. Fidelity Clearing Canada is responsible for clearing and settling trades, maintaining the books and records of your transactions and to act as custodian of your assets. Both firms are members of the Investment Industry Regulatory Organization of Canada (IIROC), carrying the full backing of the Canadian Investor Protection Fund (CIPF). CIPF ensures the protection of your accounts in the event of a member failure up to $1 million per account.

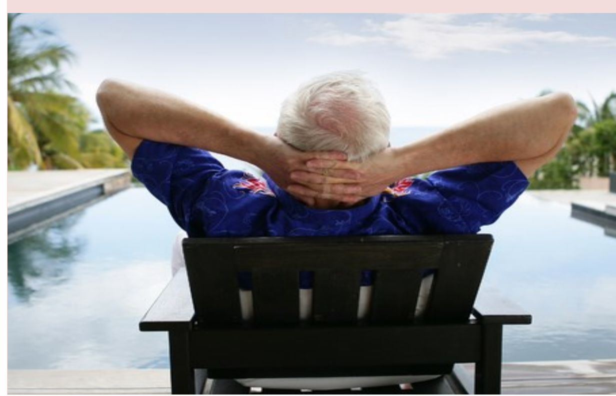
As a truly independent firm, we avoid many of the conflicts associated with traditional advisor houses such as underwriting, banking, research, proprietary trading or selling from our house inventory. Retire First is able to obtain research from numerous research providers across Canada; as a result, we are not tied to a company's opinions or products. Our vast research network allows us to be fully informed, thereby helping us give the best possible advice to our clients. We are happy to provide our clients with research reports on investment ideas when asked.

As Publishers of the quarterly newsletter *More Bottom Line* continually since October 1984, our mandate has always been to invest in companies that show a track record of sustained growth in sales, earnings, and cash flow, and are also reasonably priced. We are constantly looking for new ideas, comparing current holdings to their peers to find superior relative value.

Our approach to serving clients is pretty clear: your needs always come first. We strive to build long-term relationships by focusing on ensuring the highest levels of integrity and quality advice. It's all about helping you succeed by building and preserving your wealth.

We are committed to exceeding our clients' expectations in all that we do. With over 100 years combined experience in the stock market our team is ready to help you reach your financial goals.

In this brochure:



Products and Services:

Investment Accounts:

We offer all types of registered savings vehicles including: RRSP, Spousal RSP, Locked-in RRSP, Locked-in Retirement Accounts (LIRA), Tax Free Savings, and Registered Education Saving Plans.

We also offer all types of registered income accounts including: Registered Income Funds, Spousal RIF, Life Income Funds, Prescribed RRIFs and Locked-in Retirement Income Funds.

Retire First also offers non-registered investment accounts such as: Cash Accounts, Margin Accounts, Delivery Against Payment and Corporate Accounts.

Foreign Exchange:

Retire First's foreign exchange is helpful to both the avid traveler and business looking for great rates and excellent customer service. Through our association with Fidelity, we get very competitive quotes, which we add our markup to. The markup is negotiable but in general we recommend that on trades under $100,000 a markup of 50 basis points which we believe to be very competitive.

Assessing Your Commission and Management

Commission Accounts:

At Retire First, commission accounts allow the client to be actively involved in the investing process. Your advisor will monitor your account and make buy and sell recommendations based on your account objectives. The final decision to buy or sell a position rests with you, the client. This is a great account option for people who want to be involved in the investing process. Suggested rates for equity transactions are quoted to the right.

Trade Value	Commission Fee
$0-$9,999	2.75%
$10,000-$24,999	2.25%
$25,000-$49,999	2.00%
$50,000-$99,999	1.50%
$100,000-$249,000	0.75%
$250,000 –$499,99	0.50%
$500,000 plus	0.35%

Mutual Fund and ETFs:

When you purchase a mutual fund/ETF, you will receive a pre-trade disclosure of all charges or potentially payable charges when buying and selling the fund. This pre-trade disclosure will include an explanation of deferred sale charges, trailing commissions, MER and other costs. The performance benchmarks for the mutual fund will also be disclosed.

Fixed Income Commission:

The fee charged is based on the term on the deposit and is open for discussion as need be. Normally commission in fixed income is 0.2% for each year of the term, to a maximum of 1% for terms of 5 years or longer, which is applied to both the buying and selling transactions. Normally, the yield quoted to you already has all the charges accounted for.
For example: A 5% bond due in 1 year would net 4.8% after fees
A 5% bond due in 5 years would net 4.8% after fees
A 5% bond due in 10 years would net 4.9% after fees

Fee Based Accounts:

The fee based account is perfect for the client that wants the fee structure of the managed account, but still wants the opportunity to be involved in the investment process like they are in the commission accounts. Clients here approve the buy and sell recommendations but pay a monthly flat fee negotiated in advance.

A client would be interested in a fee based account if they are active traders and would like to reduce their commission expenses they pay over the year. Just like the managed accounts, fee based clients pay a flat fee based on the asset mix and the $11 per transaction ticket charge.

Assessing your Commission and Management Options

Retire First Managed Accounts:

The managed account process offers all of the same customized portfolio opportunities that we offer to all of our clients, but the managed account process means the client can turn the decision making process over to one of our IIROC approved Portfolio Managers (PM). The PM and client establish an investment policy statement outlining your goals and objectives, which the PM will use to guide him or her in the investment decisions to meet your individual objectives.

The PM is able to make all the decisions for your portfolio on a timely basis without your prior approval. This benefit is attractive for clients who are snowbirds, avid travelers, have a busy lifestyle, working in remote areas/overseas and those who would rather be enjoying their favorite pastime instead of watching the market.

Benefits of a Managed Account include:

- Detailed Quarterly reporting
- Trade Confirmations if required
- Appropriate Tax reporting (where required)
- Professional Management on a timely basis.

Suggested Management Rates

Fixed Income	Equities
0.5%	1.5%

In a managed account, suggested fees are charged on the intended asset mix of the portfolio. For example, if a client had an asset mix of 50% bonds and equities, their suggested management fee would be a yearly fee of 1.00%. This fee is charged monthly based on the month end value of the account.

In addition, managed accounts pay an $11 ticket charge for each trade processed, regardless of the size of the trade. All non-registered management fee based account charges are deductible against regular income including interest and wages. Transaction charges are added or subtracted from the cost base; reducing or increasing capital gains or losses accordingly, same as commission costs do.

Interest Rate Policy

Clients of Retire First with cash balances in their accounts will receive an interest rate payment on the 16th of every month based on the following prime +/- formula in the following chart. Interest credits of less than $5 in a non registered account and less than $2 in registered account will not be credited. While Retire First does make a profit on interest credits, our rates are very competitive.

Interest Rate Formula

Balance in All Accounts	Interest Earned CAD in Non Registered	Interest Earned USD in Non Registered	Interest Earned Registered Account (CAD/USD)
$0-$9,999	Prime – 4.25%	Prime – 4.25%	Prime – 4.50%
$10,000-$49,999	Prime - 4.25%	Prime - 4.25%	Prime – 4.25%
$50,000-$99,999	Prime – 4.00%	Prime – 4.25%	Prime - 4.00%
$100,000-and over	Prime – 3.75%	Prime – 4.25%	Prime – 4.00%

Debit Balances in Account

The following table outlines interest charges for accounts with debit balances

Balance in All Accounts	Interest Payable CAD	Interest Payable USD
$0-$9,999	Prime + 1.00%	Prime + 1.25%
$10,000-$49,999	Prime + 1.00%	Prime + 1.25%
$50,000-$99,999	Prime + 1.00%	Prime +1.25%
$100,000 and over	Prime + 1.00%	Prime + 1.25%

Please note that Retire First does not charge clients for interest owed if the amount is less than $2 a month. Registered accounts are not allowed debit balances and will be charged an interest rate of prime plus 6%.

Tax Documents

As tax season approaches each year, you may be wondering what documents you will receive from Retire First to complete your tax return. You can find information on the CRA website but to make it easier to get your tax return done, make a list of all your securities held throughout the year and check them off as your slips arrive. Below are some of the slip you may receive:

If you own stocks, bonds, preferred shares and T-bills/GICs in non-registered accounts

You will receive a *T5- Statement of Investment income*. T5s report stocks and preferred share dividends, interest on bonds, T-bills and GICs if the value is at least $50 per currency. You will not receive a slip for amounts under $50, but are expected to report it. These will be mailed by the end of February.

If you have a mutual fund or trust units:

You will receive a *T3- Statement of Trust Income and Allocation and Designations.* This document must be mailed by the end of March for amount of at least $100, but you are expected to report amounts under $100. T3s include details such as expense items and return of capital that should be reflected in the adjusted cost base of the related security.

If you have investment trust or limited partnerships:

You will receive a *T5013-Statement of Partnership Income.* This document must be mailed by the end of March and reports income, gains and losses for partnerships such as real estate investment trust.

If you have an RRSP, Spousal or Locked-In account:

If you made a contribution, you will receive a contribution slip for your taxes. Contributions made before December 31st of the tax year will be mailed in the first 60 days of the following year. January's contributions are mailed bi-weekly and February's are mailed weekly.

If you withdrew money you will be issued a T4RSP, mailed by the end of February.

If you have a RRIF, Spousal or LIF:

You will receive a T4RIF statement of income, mailed by the end of February.

If you withdrew from an RESP:

You will receive a T4A, mailed by the end of February.

Tax Documents

If you sold securities in a non-registered account:

You will receive a *T5008-Proceeds of Disposition or Settlements Amounts.* T5008s can be sent individually or you may receive a transaction summary listing all the purchases, sales, redemptions, maturities, exchanges and expiration for the calendar year. This is mailed by the end of February.

You will also receive a *Gain/Loss Report*. The Gain/Loss is an additional paper provided by Retire First complementary for our clients. It lists your cost at Retire First and sales price for any sales done during the year, in an easy to follow format. However, it is important to understand that this is NOT A TAX SLIP because we do not know the holdings you have in other financial institutions, if you have made certain tax elections or when certain other events occur. Retire First reports book cost on their statements, which is essentially the same as CRA's required Average Cost Base (ACB) except CRA's ACB reflects all your holdings in the stock regardless of which institution and Retire First only knows your holdings at our firm.

For both the T5008 and the Gain/Loss Report, you will have to calculate your ACB if you have accounts at other institutions. For example, if you have two accounts, one at Retire First and one at Stocks-R-US and you own the stock XYZ at each firm; at Retire First you paid $10 for 100 shares and at Stocks-R-US you paid $15 dollars two months later for 100 shares and then you sold 100 shares at Retire First several months later, your ACB is $12.50 for tax purposes even though you only sold your Retire First shares.

Clients and tax preparers can make adjustments to the T5008 information using data like T3 to reflect transactions that occurred during the year. You can read more on ACB on the CRA website.

If you have foreign assets in non-registered accounts:

You will receive a T1135- *Foreign Income Verification Statement* mailed by the end of February. This statement reports every foreign position held for the tax year as well as the book value and market values as of every statement month for the tax year. This is mailed at the end of February.

Statements

As a client of Retire First Ltd. you will receive, at a minimum, quarterly statements detailing the account value, activities and holdings in your account(s). You will also receive a monthly statement any time there is activity in your account. Activity includes, but is not limited to, cheque requests, income sweeps, dividends and trading activity. You can also log into your online access at RetireFirst.com to see your account value and activities on a daily basis.

Your statements include valuable information and they are important documents for you to review. Below are some frequently asked questions about client statements.

What is book cost?

Book cost means the total amount paid for the security, including any transaction charges related to the purchase.

In the case of short securities, book cost is the total amount received for the security, net any transaction charges related to the sale.

When I transfer positions in is the book cost on the statement correct?

If the transferred in position comes in with a recent statement, we would be able to use the book cost from your prior institution's statement. However, sometimes statements or prior paperwork cannot be supplied. In that case, if the transfer is before December 31, 2015 we will use the market value of the position as at December 31, 2015; after December 31, 2015, the market value as at the date of transfer will be used. The following disclaimers will appear on statements as of December 31, 2015:

"Market value information has been used to estimate part or all of the book cost of this security position."

or

"Market value information as at December 31, 2015 has been used to estimate part or all of the book cost of this security position."

Statements

How is market value determined?

The market value is calculated by the following methods: For securities traded on an active market, we will use the last price quoted by the market, when available. If you own unlisted investment funds, the net asset value provided by the manager on the relevant date will be used for market value.

For some unlisted securities (including debt), a value can be determined as reasonable and used on your statement by gathering information from published market reports, inter-dealer quotation sheets or last trading day prior to relevant date, or in the case of debt securities, based on a reasonable yield rate.

However, a reliable price cannot always be determined. In these cases, if possible, the value will be determined by using a valuation technique from inputs other than published price quotations that are observable for the security, directly or indirectly. In this case your security will have an indicated disclaimer that says:

"There is no active market for this security so we have estimated its market value."

If the market value cannot be determined as above then the following notification has to be used as of December 31, 2015:

"The value is not determinable."

How do I know if my positions have deferred sales charges?

For clients who hold positions that might be subject to deferred sales charges, as of December 31, 2015, statements will have a notation clearly identifying which positions might be subjected to a deferred sales charge.

When the security is proven to be bankrupt, the market price will be shown as 0.

How do I read my statements?

Page one of your statement shows your name, address and the statement period.

The second page is your account terms and conditions.

The third page lists your total assets at the end of the statement date, previous statement value and the changes in your assets. Each account and currency is listed with the month-end value.

Your portfolio summary list all of your account types, their numbers and the value of those accounts.

Portfolio holdings shows all your positions, their market value and the account they are held in.

Income Summary list all types and amount of income received for each account during the statement period.

Registered Plans list your beneficiaries and any contributions/withdraws.

Account Activity is broken down into each specific account type. It details every event that happened during the statement period.

Annual Performance Reporting

Starting in 2016, Retire First will be sending an annual performance report to all clients.

The annual performance report will include the following information:

- Total combined market value of all positions and cash in the account at the time the account was opened, at the start of the 12 month period and at the end date of the report.
- The report will identify all withdraws and transfers out from the account over the prior 12 months.
- The total combined changes in the market value of all cash and security positions over the period. This is determined by taking the closing market value minus the account opening value minus deposits and transfers in plus withdraws and transfers out.
- The report will also include the total percentage return calculated net of charges using a money weighted rate of return for the 12 months, 3 years, 5 years , 10 years (if applicable) and since inception.

What is the money weighted rate of return?

The money weighted rate of return is a method to calculate performance on an investment portfolio. It is the method required by IIROC, the regulatory body that watches investment advisors in Canada.

It is calculated by identifying all cash inflows and outflows, taking into consideration their timing to create a measure of returns on the portfolio based on initial investments.

Money weighted returns will place greater weight on performance in periods when the account size is highest. So potentially, in the case of accounts where annual withdraws occur (RRIF's) , the managers performance will be penalized even if performance improves as the account shrinks. For this reason, managed account quarterly reports will use the time weighted returns as well.

What is Time Weighted Return?

Time weighted return is the measure of return required by the Institute of Chartered Financial Analysts for CFA Charter holders. This method calculates the geometric mean return in the portfolio based on the compounded rate of growth in the portfolio by removing the effects of new money entering the portfolio. The effects of cash flows is eliminated by assuming a single investment at the start of the period and measuring the return at the end of the period.

Benchmark Comparisons

You can judge how your investments are doing by comparing the rate of return on the securities you hold to an investment performance benchmark. Your rate of return is affected by, among other things, changes in the value of your securities, dividends and the interest you earn, as well as when you make deposits and withdrawals.

To compare your rate of return with a benchmark, find a benchmark made up of securities like the ones you have in your account. For example, the S&P/TSX Composite is a benchmark for a broad group of Canadian stocks that trade on the Toronto Stock Exchange. It's a good yardstick for assessing performance of a Canadian equity mutual fund with investments in Canadian corporations. It would not be a good benchmark if you hold foreign investments, bonds, shares of smaller companies, or ones limited to only one part of the economy. Instead, you would have to find a foreign equity, bond, small cap or industry sector benchmark. If you have an account made up half of stocks and half of bonds, compare your rate or return to the average of a stock and a bond index.

Keep in mind that benchmarks should be used as a guide only for the following reasons:

- Benchmarks do not factor in commissions or other costs to invest and often don't include low-earning assets that you hold to cash. This means benchmark returns will seem higher than what you would earn on your account if you otherwise held the same securities as the index.

- Benchmark rates of return are calculated using a specified method. For the best comparison, be sure this is how the rate of return on your account is calculated.
- Remember that benchmarks are based on how a sample portfolio performs and that other factors, such as tax considerations, will affect your returns.

The new performance report is not required to have a benchmark because IIROC believes that the report focuses on individual investors' personal returns, which are not easily compared to a benchmark because of their individual timing of deposits and withdrawals. As a result, it is believed that benchmarks are not a relevant comparison to the individual investors personal rates of return. This is because the benchmark elevated the performance of the fund over a period of time and does not include the timing of day to day deposit and withdrawals.

As well, many benchmarks would use the Time Weighted Return and not the Money Weighted Return IIROC requires on the annual performance report. Instead, it is recommended that investors compare their personal rate of return on their annual performance review to their targeted rates of return to see if they are on track to meet their financial goals.

Managed account quarterly reports do include benchmarks. Your quarterly reports display the S&P TSX Composite, S&P TSX Venture and the Canadian Government Bond Index. Please keep in mind that your personal asset mix should be considered when comparing it to the index's performance.

Investor Profile

Why is my Investor Profile Important?

Your investor profile will determine what type of holdings your investment advisor will recommend for your account.

During your account opening your investment advisor will be collecting information to help them determine the suitability of your investments and future recommendations. Factors that influence your investor profile include:

- Life Stage
- Financial Circumstances
- Age
- Investment Experience
- Risk Tolerance
- Investment Objectives
- Insider of public company
- Time horizon

Your investor profile will change during your lifetime, so it is important to review it regularly.

An investor profile determines your individual preference when making investment decisions. Determining the correct investor profile is extremely important as it will determine the holdings and level of risk used within your account.

Making the right investment choices starts with an understanding of your personal goals and objectives. Your financial situation, investment knowledge, portfolio composition and risk level must be considered when your advisor is making recommendations for different investments.

This brochure is intended to help you assess and understand your investment objectives and tolerance of investment risk.

It is important that you regularly review your investment objectives, time horizon and risk tolerance to ensure that your investment choices are aligned with your dynamic goals and objectives during different life phases. We request that our clients inform their advisor of any changes.

Determining Your Account Objectives

Account objectives are the goals you have for your investment account. While it is possible to have more than one account objective at a time, goals will have to be prioritized in order of importance.

At Retire First we use three account objective categories:

Income: include those people who wish to provide current income to supplement their current income needs. Clients with low risk tolerance would also have a high portion of income securities as they provide a fixed due date and a fixed rate of return if held to maturity. The higher the income objective, the higher the margin of safety one would expect.

Long Term: include those clients whose goal is it to provide long term growth of the capital. This could be to save for a large expected purchase such as a new house, recreation property or perhaps to fund a child's future education needs. It would also include those clients who wish to build a retirement nest egg or to help build an estate. By definition, your time horizon should be longer in nature. At a minimum, your time horizon should exceed 12 months.

Short Term: when your goal is to try and make high growth near term, such as day trading or short term high turnover type of transactions. Obviously short term trading is high risk in nature so you would expect that some high risk would be indicated at the same time.. Speculative securities in general tend to also fall under the short term objective. Although you can still trade medium risk securities in the short term, meaning your short term objective could exceed the high risk tolerance percentage.

Determining Your Risk Tolerance

Risk Tolerance refers to the degree of uncertainty that an investor can handle in regard to a negative change in the value of his or her portfolio. An investor's risk tolerance will vary according to their age, income requirements and financial goals.

While there are many ways to increase your account risk (margin, speculative stocks) there are only two ways to reduce your risk: diversification and income producing assets. Diversification reduces risk by spreading your investments across different companies and financial sectors . Income focused securities have fixed rate of interest and a due date with a maturity value. Generally they tend to be somewhat independent of the stock market fluctuations.

At Retire First we use three account risk categories:

Low Risk: A well diversified account would have a higher portion of their account invested in income producing items, which include GICs, bonds, index linked notes with a bank or government guarantee, preferred shares and convertible debentures. These securities all have due dates, an interest rate and a maturity price. Income trust units would not qualify as they have no due date or maturity price.

Medium Risk: A well diversified account may include securities that are medium risk in nature. This would include stocks and income trust companies with market capitalization exceeding $100 million that are publically traded. These companies would have to have a well established revenue stream of longer than 1 year with a trailing EBITDA of at least $10 million. A medium risk index fund or a medium risk mutual fund would also qualify in this category.

Determining Your Risk Tolerance

High Risk: Account risk is high when the account has poor diversification, use of margin or contains speculative securities. Speculative positions include companies with market caps smaller then $100 million, a limited track record of revenues or EBITDA less than $10 million. If the company has to raise capital to complete their business plan, the position is considered speculative in nature hence short term focused; this also applies for well established companies needing to raise capital to fund their operations. Execution risk of a fully funded plan needs to be considered also. Options, futures or warrants; due to leverage, would be considered short term in nature as well.

Private companies, due to lack of liquidity and financial data, are considered high risk in nature; hence growth focused unless proven otherwise. Private placements where liquidity is not available would be considered speculative as well even though the investor might consider it a more established growth oriented investment.

Mutual Fund and ETFs both have fund facts. When deciding on the risk factor for ETFs/Mutual funds, we will refer to the risk factor rating provided on the funds facts.

Risk Tolerance Example

A Retire First advisor meets with two clients, widowed mother of three and a single female executive; both of the same age . The advisor expects them to have different risk tolerances since the level of uncertainty in the future of their savings may be different.

In this case, the mother may only accept a 10% uncertainty in her account and her objectives state 90% income and 10% long term. Her risk profile could be 90% low and 10% medium.

The single executive, however, is willing to have more uncertainty in her account and only wants 25% of her account in income, 35% in high risk stocks and the remaining in long term stocks. Her risk profile could be 25% low, 40% medium and 35% high.

Determining your Time Horizon

Time horizon is the length of time over which you expect to need access to some, or all, of your money. Your accounts time horizons are dynamic and it is important to review and update your account when things change. Although your advisor will periodically inquire if there have been any changes to your circumstances, as a client it is important to inform your advisor of any material changes including updates to your time horizon.

At Retire First we use the following time horizons:

A) 1-3 years B) 3-5 years C) Five to Ten years D) Beyond Ten Years

The examples below have been provided to help you understand the time horizon objective:

Susan and Robert were thinking about buying a second home. After home prices dropped in their preferred destination, they called their financial advisor to update their time horizon from five year to under one year in order to gain access to their investments to use as a down payment.

Susan and Robert have two children, ages 14 and 16, that are both planning on attending post secondary school. They have indicated that they will need access to their RESP money in two years time.

Susan, 54, was planning on retiring from her job when she was 60. In recent months, she has decided that she would like to retire during the next couple of months. She called her investment advisor to update the time horizon on her accounts from 6 years to one year, or less, in order to provide monthly income.

Susan and Robert, 55 and 60, are now both retired. Robert is receiving a pension from his employer that is providing a comfortable lifestyle. They decide to keep Susan's money invested in the market until she is 71. They call her financial advisor and update the time horizon from one year or less to 10 years.

Robert's dad, John, is 84 years old. He lives in a lodge by himself as his wife Jane passed away a few years ago. His pension covers his monthly income needs and he has little to no need for any additional income from his portfolio. John's intent is to leave the funds for his children and wants to maximize the value. Even though he is 84, he believes the time horizon is long term since he plans on passing the capital to his children.

Suitability

Suitability is the process where a financial advisor determines if an investment product or tool is appropriate for the investor's situation. The information collected by your financial advisor, such as your age and net worth, will assist them in determining if a position is suitable for your needs.

Suitability is important because each client's financial and personal situation is different. The below example will help to explain suitability:

An 80 year old client has an account worth $50,000. She has a net worth of $75,000, limited investment experience and receives a small pension. She would like to invest $10,000 in a high risk stock her nephew has recommended and the remainder in a GIC. The financial advisor deems this investment to be unsuitable since it would be investing a substantial portion of her net worth in a high risk stock and require the client to have a high risk tolerance of 20%.

An 80 year old client has an account worth $50,000. She has a net worth of $750,000, good investment knowledge and receives a small pension. She would like to invest $10,000 in a high risk stock her nephew recommended and the remainder in a GIC. The financial advisor deems that a risk tolerance of 20% for this client may not be unreasonable since it is a small fraction of her net worth.

Suitability is an important aspect of investing and your Retire First team will advise you when investments are deemed to be unsuitable. Remember that suitability can change over time so it is important to inform your financial advisor if you have any material changes.

Suitability

How does my advisor determine suitability for my investments? Does Retire First review the advisor recommendations?

Your financial advisor is required to know and understand the characteristics and risk associated with any investment product (stocks, bonds, mutual fund, etc) approved or recommended to their clients. Understanding the structure, features and risk of each security recommended to the clients is a proficiency requirement. Each day, trades are reviewed by the Branch Manager at Retire First to determine the suitability of the investment in context of your personal circumstance such as investment knowledge, time horizon and risk level of other investments in the account at the time of recommendation. Your suitability will also be reviewed when there is a significant deposit relative to the current account, transfer, a change in financial advisor, significant market events or an update such as a time horizon, risk tolerance or material change has been applied to your account.

What if a trade is unsuitable?

Unsuitable trades can happen for a variety of reasons. For example, there may have been a previously done unsolicited order, trades by a former advisor or assets transferred in. When this occurs, your advisor will call to discuss with you if there have been any material changes that might require an update to your risk and objectives. They might also recommend changes to your portfolio to ensure the suitability of your account.

Does Retire First use individual account suitability or portfolio suitability?

If you have a Canadian and a US account under the same account number with the same objectives, your US and Canadian positions would be viewed as one account, provided you sign the householding account form. We would then be advising and reviewing trades for suitability with all the positions in both currency as one account. If you opened a US account with different account objectives then your Canadian account, we would determine suitability on a per account basis. If your family has more than one account; for example, a corporate, personal cash and joint RESP, we would be reviewing each of those accounts separately, event if the objectives are the same since the beneficial owner is not the same individual.

Frequently Asked Questions

Why Does Retire First require so much paper work and personal information?

The staff at Retire First are required to know their clients. What this means is that we must be able to determine which investments are suitable for their clients' needs since each person's life circumstances are different. Your personal information helps your advisor to know which investments are suitable for your needs.

Why do I need separate paperwork for only some of my accounts?

Retire First requires a new set of paperwork for accounts that do not have identical beneficial owners. This is why joint accounts, corporate accounts and trust accounts must be completed using a new set of paperwork. If you were opening a cash account, RRSP, TFSA and a corporate account you could put the cash account, RRSP and TFSA on one set of paper work and the corporate account would be completed using a new set.

What is considered a material change? And why do I have to contact my advisor?

A material change is anything that could affect your investment profile such as a new job, marriage/divorce, inheritance or a change in your time horizon.

What if I want my advisor to make a trade and they said it is unsuitable?

When you initiate a trade without advice from your advisor, this is considered an unsolicited order. If your advisor feels that this order is unsuitable for your account they will advise you against the trade. This advice might come in the form of advising against the purchase or making changes to other positions to keep the suitability of the account in line with your objectives.

Putting it All Together

As you can see from the examples throughout this booklet, your investment needs are dynamic. While retirement might sound like an ultimate goal; there are many objectives, time horizons and risk levels, which make the goal of 'retirement' dynamic.

It is important to regularly review and update your account objectives to match any changes in your life. You should take the time to advise your advisor of any changes such as a change in your marital status, employment, finances or health.

Determining your account objectives will help your investment advisor to invest your account in the best investment tools available for your needs.

Determining your objectives can be a difficult task, but there are a variety of tools available to assist you in this task.

Retire First has included an account objective questionnaire in this booklet to help you begin your investing journey. Your investment advisor can use this to help you determine your investing needs during your client meeting.

Successful investors and their advisors re-visit their account objectives regularly . Please remember to contact your advisor if you experience any material changes.

Investor Questionnaire

1. Which of the following statements best describes your current financial situation?

Please consider your regular expenses as well as your ability to repay outstanding liabilities, emergencies and retirement

Point Value

A	My current financial situation is uncertain	1
B	I currently do not need this investment to supply income, but will in the future.	2
C	This investment must supply me with regular income.	3
D	I have sufficient cash flow to meet the majority of my financial requirements	4
E	I currently do not require income from my investment; however, this could change in the future.	5
F	I am secure financially and will not need access to these funds for several years.	6

2. What is your current investment situation? If you are not currently investing, how would you manage your assets?

Point Value

A	I am currently invested in GICs and saving bonds because I need to protect my principal and live on the generated income.	1
B	My investments are income generating, but would like to see some capital gain.	2
C	Most of my investments are in bonds, income trusts and *low* risk equities.	3
D	Most of my investments are focused on long term growth in *moderately* aggressive equities, bonds and income trusts	4
E	Most of my investments are focused on long term *aggressive* equities and income trusts.	5
F	I am willing to invest in higher risk companies that have the potential for large capital gains (or losses).	6

3. My current level of investing knowledge is:

Point Value

A	Limited: I understand very little about investing and have no experience with investments.	1
B	Average: I understand the basics of investing and have limited experience with the different types of the investments and strategies.	2
C	Good: I have good knowledge of investing and have moderate experience with the different types of the investments and strategies	3
D	Experienced: I am a sophisticated investor and have extensive experience with the different types of the investments and strategies.	4

4. Which statement best describes your investment goals?

Point Value

A	Security: Principle of your investment must be protected.	1
B	Income: Income generation is the most important feature.	2
C	Income and Capital Gains: My investments must increase in value as well as provide a steady flow of income.	3
D	Conservative Capital Gains: Long term increase of my investments but I am not comfortable with large fluctuations in my account value.	4
E	Capital Gains: Long term increase in my investments and I understand that the value of investments fluctuates.	5

6. How would you describe your comfort level should the value of your investments fluctuate (up or down) during the short term (less than 3 years)?

		Point Value
A	Very low: My primary concern is the protection of the principal.	1
B	Low: Any drop in the value over 5% of the value of my investment would make me uncomfortable.	2
C	Moderate: I can tolerate a small decline in my portfolio between 5-10%.	3
D	High: I can tolerate a moderate decline from 10-20% of my portfolio value.	4
E	Very High: I could tolerate a decline of 20% or more in the short term value of my portfolio in anticipation of post long term growth.	5

5. Which statement below best describes the level of risk you are comfortable investing ?

		Point Value
A	I would like my investments to be stable and provide the same return year-to-year.	1
B	I would prefer a combination of fixed income securities and blue chip equities.	2
C	I am comfortable with volatility and seek more aggressive investments knowing that this might result in decreases in my portfolio.	3
D	I am willing to accept more volatility in my account for the potential of greater returns and do not worry when the stock market drops significantly.	4

Using the point value that corresponds to your answers, please tally up your response score and turn the page to find out what style of investment best

Question 1	Question 2	Question 3	Question 4	Question 5	Question 6	Score

Results

Based on your answers to the investment questionnaire, your investment style corresponds to the following score range.

Score Range	Investment Style	Risk Level	Description
0-6	Cash/Bonds	Little to No Risk	Concerned with protecting your principal and collecting a modest income, you will accept lower returns for security.
7-15	Conservative/ Income Focused	Low	You are looking for income with some capital gains, but are more focused on income. You would like to see growth without major decline in your value.
16-19	Income/Growth Focused. Little to no short term focus.	Moderate	You are looking for capital gains and income, but are more focused on growing your account. You are somewhat okay with fluctuations in your account value.
20-28	Mainly Long Term and some Short Term Capital Gains	Moderate to High	Your objective is to grow your investments. You are willing to accept declines in value to achieve long term growth.
29+	More balanced Long Term and Short Term Capital Gains	High	You are willing to take the risk necessary to potentially achieve above average returns.

My Investment Style is ____________________

__________________ ______________________

Client Signature **Date**

By signing this document you are acknowledging that you have read and understand your role in creating your investor profile.

__________________ __________

Client Signature **Date**