

## RELATIONSHIP DISCLOSURE

Important information about your relationship with ZLC Wealth Inc. ("ZLC Wealth" or "the Firm") is contained in this **Managed Account Relationship Disclosure Information** ("RDI") document. This form is being provided to you because the Firm is required to provide clients with all information a reasonable investor would consider important about their relationship with our firm. If there is a significant change to the information contained in this document, we will provide you with updated information in a timely manner by sending an updated document by email (if you have provided us with an email address) or by mail.

### 1. Products and Services

ZLC Wealth is registered as a Portfolio Manager with the provincial securities commissions in British Columbia, Alberta, and Ontario. Our primary regulator is the BC Securities Commission because our head office is in Vancouver, British Columbia.

As a Portfolio Manager firm, we provide Separately Managed Account services to our clients, where a Portfolio Manager is given the discretion to make and implement investment decisions for a client on a continuing basis under terms of the **Managed Account Agreement**. The Portfolio Manager can transact in a wide range of investment products, including mutual funds, exchange traded funds ("ETFs"), alternative funds, stocks, bonds, money market instruments, etc., using their discretion as described in the **Managed Account Agreement** and **Investment Policy Statement**. We refer to these discretionary accounts as "managed accounts" and they are managed by ZLC Wealth Portfolio Managers.

Clients who hold a managed account may open one or more of several account types with our custodian, including a:

- Non-Registered Account (CDN funds or US funds denominated)
- Registered Retirement Savings Plan Account (including Locked-In and Spousal)
- Registered Retirement Income Fund Account (including Locked-In and Spousal)
- Registered Education Savings Plan
- Tax Free Savings Account
- Individual Pension Plan
- Retirement Compensation Arrangement

Please consult your ZLC Wealth Portfolio Manager or Representative about how each of these accounts operates and which one(s) best meets your investment objectives.

### 2. Firm Ownership and Related Entities

ZLC Wealth is affiliated with ZLC Financial Ltd. ("ZLCF") as ZLCF is the sole shareholder of ZLC Wealth. ZLCF is registered with the Insurance Council of BC as a Life Agent Corporate Partnership and is also registered with other provincial insurance regulators.

ZLCF has a principal/agent relationship with its Associates, who are individuals providing insurance products and services under license of ZLCF or as nominee under their own insurance services license. Some of these individuals may also be agents of ZLC Wealth. Only individuals with the appropriate securities license can provide you with advice about securities and their suitability for you. For clients holding a managed account, only an agent of ZLC Wealth who holds a securities license as a "Portfolio Manager" (also called "Advising Representative") is permitted to exercise discretionary authority over your managed account. Further, only individuals with a Portfolio Manager license can exercise discretionary authority. Agents who can only sell investment products on a non-discretionary basis are referred to as Dealing Representatives. Please speak with your ZLC Wealth agent for further details about their individual registrations.

### 3. Client Accounts and Custodial Arrangements

ZLC Wealth has entered into a service agreement with Aviso Correspondent Partners, a division of Credential Qtrade Securities Inc. ("CQSI"), a member of the Investment Industry Regulatory Organization of Canada ("IIROC") and the Canadian Investor Protection Fund ("CIPF"), to be the custodian for accounts held by our clients. CIPF provides protection for property held by a CIPF member firm (being CQSI) on behalf of an eligible client, within limits, if that CIPF member firm becomes insolvent. See [www.cipf.ca](http://www.cipf.ca) or the CIPF Official Brochure provided to you with your CQSI account opening materials. CQSI is independent of ZLC Wealth, which enables ZLC Wealth to provide services to you as our client while CQSI maintains custody of assets on your behalf.

CQSI is directly responsible for custody, trade settlement and tax reporting, for your managed account(s). Clients holding managed accounts have granted ZLC Wealth discretionary authority over the account(s) held by CQSI for the purpose of trading in securities. This arrangement allows us to perform our obligations under the managed account agreement we have executed with you. Accordingly, transactions in securities can be made by ZLC Wealth Portfolio Managers in your account without your prior knowledge, approval, oversight or control. However, ZLC Wealth does not have authority to withdraw assets or transfer account holdings, other than for the withdrawal of management fees based on the Managed Account Agreement.

Any payments for investments purchased through ZLC Wealth in a managed account must be made payable only to CQSI as the custodian. You are never to make a payment payable directly to ZLC Wealth, your Portfolio Manager or another Representative of ZLC Wealth. Any withdrawals you request from your account(s) will be made payable only to you as the account holder in accordance with the policies of CQSI.

You will be required to complete account opening forms for the custodian as well as ZLC Wealth when opening an account with the Firm. You will also receive various disclosure documents from both the custodian as well as ZLC Wealth. We urge you to read and retain a copy of these disclosure documents. ZLC Wealth may decide to change the custodian at our discretion.

ZLC Wealth may direct the transfer and conversion of currency between Canadian and United States dollar accounts of a client as ZLC Wealth considers necessary or advisable to meet obligations in either of those currencies in a client's account(s). ZLC Wealth does not generate any revenue or spread in currency conversion transactions, as conversions are executed at the rate supplied by the custodian, which is subject to change. However, the custodian may charge a spread for currency conversions. For fees charged by the custodian, please see Section 5 below entitled Custodian Fees and Charges.

Because ZLC Wealth and CQSI both operate in the city of Vancouver, should there be a significant business disruption, such as extended power outages, earthquake, etc., our clients will rely on the Business Continuity Policies in place at both firms to provide continuing service in such an event occurs. ZLC Wealth maintains internal Business Continuity Policies and conducts reviews on an ongoing basis to appropriately manage these business risks. In addition, ZLC Wealth confirms CQSI maintains similar policies based on their regulatory requirements.

### 4. Management Fees, Operating and Transaction Charges

For accounts you are holding with CQSI, which are being managed by ZLC Wealth, the Firm will charge a management fee based on the assets held in your account. The management fee is set out in **Schedule A of the Managed Account Agreement** you have executed with ZLC Wealth. This fee will be charged directly to your managed account(s) and compensates ZLC Wealth for portfolio management services as well as CQSI for holding and administering the securities in your account.

The fees earned by ZLC Wealth as compensation for portfolio management services and operating costs will reduce the return on your portfolio. For example, in a managed account which is charged a fee based on the asset value, if the average daily value of your managed account at the end of a quarter is \$10,000 and the annual management fee for your account is 1%, \$25 will be deducted from your account at quarter end. This will not only reduce the account's return at quarter end by \$25, but the account will forgo future compounding returns that it would have earned from re-investment of the \$25. These fees will depend on factors such as the portfolio's size and the type of investment strategy and will be discussed between you and your Portfolio Manager at the time your account is being opened.

In the event ETFs, individual stocks or bonds are purchased in your account, the brokerage firm which executes the order will charge a commission on the trade. The commission on the trade is included as part of the purchase price or proceeds of the sale and, as a result, is reflected in the cost of the investment held in the portfolio and as part of the portfolio's performance. ZLC Wealth does not receive any payment or share in the commission charged by the brokerage firm for executing trades in these securities.

Your account will hold investments which are managed and administered by third party fund managers. These investments may charge a fee to cover the costs related to the management of the investment along with operating costs such as custody, legal, regulatory and administrative fees. These fees are collected at the investment level, meaning they are deducted from the value of the investment before returns are calculated. These expenses will reduce your return on the fund units in the same manner as management account fees will reduce the return on your managed account. ZLC Wealth does not receive any compensation from the issuers of investments in your account. As a Portfolio Manager, ZLC Wealth has access to reduced institutional level fees for these investments. As a result, fees collected at the investment level, plus the management fees charged to your account by ZLC Wealth, should be equal to, or less than, the fees which would be incurred if you, as an individual investor, purchased units directly from the issuer of the fund.

Some securities purchased for your account may be private investments which do not trade on a marketplace. Purchases and redemptions of these instruments must be undertaken exclusively through the Issuer. The Issuer will allow redemptions only at specified times and may also restrict redemptions during periods of unexpected volatility. Investors who need to sell their holdings outside these specified times must locate a secondary buyer willing to purchase fund units from them. ZLC Wealth may assist with locating a buyer if necessary. However, we cannot guarantee the price at which the trade can be completed or that the units can be sold at all.

Your Portfolio Manager will discuss any administrative fees, which may be charged by our custodian, with you in advance of any transactions where we know there may be an associated fee. For information about fees charged to your account(s) by the custodian, please see section 5 below titled Custodian Fees and Charges.

## 5. Custodian Fees and Charges

CQSI, as the account custodian for clients of ZLC Wealth, charges certain fees to managed accounts. These fees are charged to your account when the service is rendered and is deducted automatically from the account. To the extent possible, your Portfolio Manager will discuss any applicable transaction charges with you in advance of any transactions which have an associated fee.

The account custodian may charge fees for administrative services or transactions conducted through client accounts. Please inquire with us about fees for particular services or transactions or view an updated schedule of CQSI trade fees by visiting [Qtrade's Website](#) and selecting the "Fees" tab. Some of the information on this page does not apply to ZLC Wealth clients because we may absorb certain fees charged by the custodian when providing services to you. This means some fees are paid by ZLC Wealth, and are not charged to your account(s). Please contact us for details.

## 6. Know Your Client ("KYC")

The requirement for firms to "Know Your Client" is a global investment industry standard which requires firms to use reasonable efforts to verify clients, their risk profiles and financial profile. Accordingly, ZLC Wealth is obligated to obtain and remain current with client information to ensure compliance with our KYC responsibility to clients. The information collected as part of our KYC obligation is used prior to recommending an investment policy, to ensure the investment policy established and recommended to you in the **Investment Policy Statement** is suitable for you prior to trading on your behalf. Please see Section 7 below for more information about the suitability of investments. We must also regularly update the KYC information we collected about you to ensure the securities you hold in your accounts and the **Investment Policy Statement** we created continues to be suitable for you. The KYC information we collect is also used in meeting our requirements based on legislation governing identity verification, anti-money laundering and terrorist financing. In this regard, ZLC Wealth must:

- Establish, verify, and document the identity of all clients,
- Determine whether the client is an insider of a publicly traded issuer or politically exposed person, and
- Obtain sufficient personal and financial information to make a determination of the suitability of the investment policies established for your account prior to executing any transactions and at other times.

The KYC information we collect includes, but is not limited to, your name, date of birth, social insurance number, residential address, mailing address, contact information, banking information, annual income, net worth, your tax status, etc. We will also collect information as applicable about any signing authority, trading authority or beneficial owner on the account. ZLC does not purport to provide advice or guidance on the client's general financial needs or circumstances. We document this information on our **KYC Form**, as well as the **New Account Application** Form of the custodian, and you will receive a copy of both forms once they are completed and accepted. Your ZLC Wealth representative will review the **Investment Policy Statement** with you on at least an annual basis, to ensure it reflects your investment needs and circumstances and to update our KYC information. However, we rely on you to contact us should any information about you change which might impact your investment objectives, time horizon, risk tolerance, etc.

When you open an account with us, we may ask you for the name and contact information of a Trusted Contact person ("Trusted Contact") and your consent to contact the Trusted Contact under certain circumstances. A Trusted Contact is generally someone we can contact to enquire about possible financial exploitation, or if we have concerns about your mental capacity as it relates to your ability to make financial decisions. We may also contact your Trusted Contact to confirm your current contact information if we cannot reach you after multiple attempts, or to confirm the name and contact information of a legal representative, if any, on your account. You can replace or revoke your Trusted Contact at any time.

If we reasonably believe you are in a vulnerable position and are being, or at risk of being, financially exploited, or you are experiencing diminished mental capacity which may affect your ability to make financial decisions about your account(s) with us, we may place a temporary hold on a particular transaction. A vulnerable position includes where an illness, impairment, disability, or aging-process limitation places you at risk of financial exploitation. If we place a temporary hold on a particular transaction, we will provide you with notice, either written or verbal, explaining our reasons for the temporary hold, and at least every 30 days thereafter until the temporary hold is revoked. We may also contact your Trusted Contact Person about a temporary hold.

## 7. Determining Which Investments are Suitable for You

Before we take any investment action with respect to the Investment Policy we have established for your account, we will first determine if our recommendation is suitable for you and puts your interests first. We determine suitability according to our understanding of the KYC information you have given us when you completed or last updated your account documentation.

The factors guiding us in determining whether an investment is suitable for you include:

- **Your Financial Situation:** We learn about your fixed and financial assets, net of liabilities, and the sources and amount of your income.
- **Your Investment Knowledge and Experience:** We assess the level of your investment knowledge and inquire as to what kinds of investment vehicles you have used in the past.
- **Your Investment Objectives/Purpose of the Account:** We learn about your financial goals to help us determine your need to keep your invested principal secure (through guaranteed investment certificates, federal or provincial government bonds, or other principal-guaranteed holdings), to earn income and cash flow (whether as dividends or interest or other distributions or strategies), to increase your capital through growth in the market value of your investments, or to engage in alternative strategies which are complementary to other investments you may currently hold and are not correlated to general equity market performance
- **Your Liquidity Needs and Time Horizon:** We learn about when you expect to need to withdraw your financial assets for other purposes, for example, to buy a house, pay for education or enter retirement and draw income. We also determine how important it is for you to have the ability to convert all, or a certain portion, of your investments quickly and easily into cash to meet your financial needs.
- **Your Risk Tolerance and Risk Capacity:** We assess your willingness and ability to tolerate fluctuations in the value of your account and the potential for the temporary and/or permanent loss of your principal.
- **Your Investment Portfolio Composition and Risk Level:** We assess how the purchase or sale of particular securities affects the composition of your account(s) in terms of allocation of holdings between equities, fixed income, and other investment classes, the risk of the assets held, and the overall diversification of your investments.

Our **KYC Form** includes definitions, so we all understand what is meant when terms such as "medium risk" or "investment time horizon" are used in the operation of your account. We will use our understanding of the information collected on the **KYC Form** to recommend an appropriate mix of invested assets that best corresponds with your investment objectives, risk profile, time horizon, and the type of investing you want to undertake. Managed Account clients will have an **Investment Policy Statement** developed by their Portfolio Manager.

If during our suitability determination we identify any concerns, we will discuss them with you. Given the long-term nature of investing for most clients, while we will review the suitability of the investments in your account(s), we may not take corrective action in your account based on market fluctuations, even large fluctuations, which occur over a short period of time. Your Portfolio Manager is ready and available to discuss the effect of market fluctuations on your portfolio with you when you request. We encourage you to speak with them, especially if you expect to need to convert your assets to cash in the near future, or when there has been any other material change in your financial or personal information which may affect your investment objectives or risk profile.

## 8. Reporting and Viewing the Activity in Your Account

You will receive trade confirmations along with regular account statements from the custodian for each month in which your account has activity, and at least quarterly for the month-end of March, June, September, and December. These custodian statements will provide the details of any purchase and sale transactions, deposits and withdrawals, income (dividends, interest, etc.), account balances, etc. You are to rely on these statements for your tax reporting.

You will also receive quarterly account statements from ZLC Wealth. These ZLC Wealth statements will provide account balance details, position names, cost basis, and the quarterly transaction history in the account. We encourage you to compare the custodian statements to the ZLC Wealth statements, as the reported account balances for the same date should be the same on both provided statements. We have internal policies to regularly reconcile and review these balances.

On an annual basis, for the period covering the prior calendar year, you will receive two reports from ZLC Wealth with respect to accounts which are managed by ZLC Wealth:

- The Annual Performance Report indicates how your investments performed during the year along with the change in value for the account over the past year and since the inception of the account with ZLC Wealth. The return methodology we are required to use for this report is called the money-weighted method, commonly referred to as IRR (Internal Rate of Return). This method was chosen as the industry standard for this particular report, as it takes into consideration the timing of the deposits and withdrawals that you made in your accounts when calculating your personal rate of return. Accounts opened in the prior year will not receive a report for the partial year but will receive a report the following year. Accounts that have a market value of \$0 on December 31st will generally not receive a report as the formula used to calculate money-weighted rate of return may provide misleading information.
- The Annual Report of ZLC Wealth Compensation provides details about the compensation we received over the year for the services we provided to you. This report displays the dollar value of the fees we receive. We are not required to send out this report when the fees for a given account are zero.

All statements and reports from ZLC Wealth will be provided to you by mail, unless you have authorized us to send them to you electronically. By consenting to Electronic Document Delivery on the KYC Form or accepting of the terms of use for the ZLC Wealth Client Portal, you have provided consent for the electronic delivery of any documents and communications pertaining to your accounts, including account statements and annual reports. You will receive an email notification when the statements or reports are available for your account on the ZLC Wealth Client Portal. The Firm will also, if you direct us in writing, deliver duplicate statements or provide access through our client portal to accountants or other advisors. Please advise us if you wish to arrange for duplicate mailings or online access to your account information to individuals other than yourself.

ZLC Wealth will, at the time of account opening, provide you with a password and details on how to use our Client Portal and our custodian's online account platform where you can view your account at any time through your own internet connection.

## 9. Electronic Trade Instructions

**Caution:** Communication of trade instructions to the firm via email, voice mail or any other electronic means creates a number of risks, such as delays in receiving, opening and executing instructions or inadequate instructions being provided by the client. Clients are strongly discouraged from communicating order instructions electronically. Requests to place a buy, sell or other transaction are time sensitive. If you would like to request a trade, please telephone your Portfolio Manager or Representative to ensure your instructions are complete and any required disclosures or authorizations are obtained. Any trade instructions left by electronic means such as voicemail, email, instant message, or fax will not be acted upon. In addition, certain trades may require you to sign documents or be provided with certain disclosures by the Portfolio Manager or Representative before the trade is placed. Neither ZLC Wealth nor its Portfolio Managers or Representatives will accept any trades or transaction requests submitted by email, voicemail, fax, text messages or other electronic means. Trading instructions will only be accepted after being confirmed with you verbally by your Portfolio Manager or Representative before the trade deadline. Any instructions provided to or verified by your Portfolio Manager or Representative after the trade deadline will be placed at the next available opportunity at the prevailing price. To avoid missing trade deadlines, you are strongly encouraged to call your Portfolio Manager or Representative directly if you need to place a trade or request a transaction.

## 10. Privacy and Disclosure of Information

At the time of account opening and on an ongoing basis, clients disclose personal and confidential information to ZLC Wealth, including personal identification and financial information. ZLC Wealth retains this information in a secure manner for extended periods as required by industry regulations, in paper and/or electronic form. ZLC Wealth's personnel, whether employees, agents, directors, or officers, will comply with all legislation and our privacy policy in connection with the collection, use, and protection of such information. ZLC Wealth's Privacy Policy is available on our [website](#), and is available upon request from any member of our staff. ZLC Wealth has a services agreement with our affiliated company, ZLC Financial, which allows us to share your information with staff members of ZLC Financial which allows them to support us in providing services to you. ZLC Wealth has additional agreements with service providers to provide services such as portfolio management systems, statement printing, account custody, etc., and the firm takes steps to ensure your information is protected under those agreements.

In certain circumstances, ZLC Wealth may be required to disclose personal information, including as the result of judicial or other government or regulatory requests or orders. We may also be required to disclose your account information to the Canada Revenue Agency or other tax authorities. For example, as a result of FATCA (Foreign Account Tax Compliance Act), information related to U.S. persons must be transmitted to CRA which, in turn, shares this information with the IRS.

Should ZLC Wealth become aware, or suspect, an account is engaged in money laundering, it is our duty to report to the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"). This reporting will not be deemed a breach of our privacy policy or any other prohibition that is imposed by law or otherwise.

## 11. Foreign Residency

If you are, or plan to become, a resident of a country outside of Canada, it is your responsibility to let us know your country of residence. It is also your responsibility to advise us if you are considered a tax resident of a country outside of Canada. There may be significant tax or legal consequences to living in another jurisdiction and it is your sole responsibility to obtain tax and legal advice with respect to opening and operating investment accounts at ZLC Wealth. You should provide us with any such tax or legal information related to your foreign residency upon our request. ZLC Wealth, or CQSI as the account custodian, may not be able to open or maintain accounts for residents of certain countries.

## 12. Compensation to Referring Parties

We have referral arrangements with various parties. When applicable, the details of any referral arrangement related to a client account will be communicated to clients under a separate **Referral Agreement Disclosure** form, which must be signed by a client in advance of any referral fee payments to the referrer. Please refer to that document if a referral arrangement applies to your account(s).

### 13. Joint Accounts and Legal Entity Accounts

If you are opening a joint account with us, whether as joint with right of survivorship or joint tenants in common, we will accept and act upon instructions from any individual who is a joint holder of the account. This includes instructions for withdrawals. Our custodian will only process transfers or withdrawals from a joint account to the full joint account name unless there are written instructions, signed by all joint account holders, to designate a different transferee. We will provide statements or other information about the joint account to either of the joint account holders without notice or consent of the other. The joint account holders are jointly and severally responsible for all liabilities in the account(s) including payment of any fees. If you are opening a corporate or other legal entity account, you are asserting to us you have the authority to bind the corporation to any agreement with us, and you will provide all corporate documents we or our custodian deem necessary before opening your legal entity account(s).

### 14. Trading and Soft Dollar Arrangements

Our normal practice is to place trades through the account custodian, CQSI, for ease of settlement and to simplify the recording and reporting of activity in client accounts. Other than order execution services, ZLC Wealth does not receive any other products or services (called "soft dollar arrangements") from any trading firm(s) through whom we place any trades in exchange for directing trades to those firms.

### 15. Performance Benchmarks

You may wish to assess the performance of your investments by comparing them to an investment performance benchmark. Benchmarks show the performance over time of a select group of securities. Benchmarks are used as a gauge for the performance of an investment portfolio. When the return of an investment portfolio is higher or lower than a selected benchmark, the investment portfolio is said to be outperforming or underperforming compared to the benchmark. There are many different benchmarks. When choosing a benchmark, it is important to pick one which reflects the composition of your investments. For example, the S&P/TSX Composite Index follows the share prices of large companies trading on the Toronto Stock Exchange. This index would be a good benchmark for assessing performance of a Canadian equity fund that invests primarily in large Canadian companies. It would be a poor benchmark if your investments are diversified in other products, sectors, or geographic areas. Certain materials you receive from ZLC Wealth which contain portfolio performance, may also show the performance of a comparative benchmark. Such information is provided at ZLC Wealth's discretion and clients do not have an option to select specific comparative benchmarks. Please speak to your Portfolio Manager or Representative if you have questions about the performance of your portfolio or about benchmarks.

### 16. Risks When Investing

There are certain risks investors should consider when making any investment. Before making any investment decision, it is important to review your personal circumstances, financial circumstances, investment objectives, your tolerance and capacity for risk, your time horizon, and the risk associated with the investment you are considering.

Investments are subject to different types of risk depending on the type of investment and the features associated with the product. There will be specific risks itemized in any offering document of any investment (whether by Prospectus, Offering Memorandum, etc.), and certain investments may require completion of a risk disclosure document.

General investment risks include:

- **Market risk:** the risk the market value of a security will rise or fall based on overall stock market conditions rather than the performance of a specific security.
- **Liquidity risk:** the risk a security, or an asset held by a security, may have a limited resale market and may not be possible to sell at a particular point in time. Additionally, certain securities may not be readily transferred or sold until the expiry of the holding period or until the security is wound down by the manager.
- **Interest rate risk:** the risk for investment losses as the result of a change in interest rates. Typically, when interest rates increase, the value of securities exposed to interest rate risk decrease and vice versa.

- **Inflation risk:** the risk of a future decline in the purchasing power of your savings if the value of the investments in your account doesn't keep pace with inflation.
- **Credit risk:** the risk a borrower may not be able to pay interest or principal when due. Missed payment(s) would cause individual bonds or bond funds to lose value. Related to this is the risk a fixed income security or the assets it holds have their credit rating downgraded, which causes the investment's market value to decline.
- **Commodity risk:** the risk commodity price changes will cause losses for either commodity buyers or producers whose business is dependent on commodities. Buyers face the risk commodity prices will be higher which will increase their costs, while producers face the risk commodity prices will be lower which reduces their revenue.
- **Concentration risk:** an investment made in a fund or pooled investment which invests in few securities is considered concentrated. Investments which are concentrated in particular industries, regions or countries lack diversification and may result in higher volatility of the security's price and performance.
- **Specialization risk:** investments with a focus in one industry or market capitalization range, may cause the performance to be more volatile and strongly affected by the overall economic performance of the area of specialization.
- **Issuer Specific risk:** the risk of unexpected, issuer specific, events which can affect the value of its share or bond price, such as changes in market share, unexpected costs or the departure of key personnel.
- **Derivatives risk:** investing in funds which use derivatives, such as put or call options, hedging strategies or short- selling may expose the fund to risks based on changes in the volatility of the underlying investments.
- **Risk of loss:** investing, in general, has risk associated with it, including the risk that the investor may lose all or a portion of any investments made.
- **Foreign currency risk:** the risk associated with currency fluctuations if the security is in, or the fund or pooled investment invests in non-Canadian dollar denominated securities, or in companies whose businesses are carried out in foreign jurisdictions which create exposure to foreign currency fluctuations.
- **Leverage risk:** the risk associated with borrowing for investment in securities. Borrowing money for investment purposes can increase losses as, regardless of any decline in value of the security, the full amount of the funds borrowed to purchase the investment must be repaid by the investor.
- **Prospectus-exempt product risk:** investing in securities for which there is no prospectus may be riskier than investing in securities offered under a prospectus. Securities not offered under a prospectus lack the oversight and regulation placed on securities offered under prospectus to ensure diversification and liquidity and do not have the same requirements for disclosure of performance. Some of the protections provided to unitholders of securities offered under prospectus are not available to investors who invest in securities that are prospectus exempt.

For clients holding Portfolio Managed accounts, ZLC Wealth will select funds and seek to diversify your account to ensure your portfolios are in line with the investment objectives and risk tolerance set out under the Investment Policy Statement. However, actual performance will be dependent on market fluctuations and other conditions that are both unpredictable and beyond the control of ZLC Wealth or any other parties. Returns on your account cannot be guaranteed.

## 17. Leverage

If you are considering borrowing money to make investments, or are providing ZLC Wealth with borrowed money to make investments on your behalf, you should be aware that using borrowed money to purchase securities involves greater risk than a purchase made using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same, even if the value of the securities purchased declines. As a result, your losses would be larger than had you invested using your own money. We are required to ask whether you are using, or intend to use, borrowed monies and you should notify us in the future if you have used borrowed funds to invest in your account(s) with us.



ZLC Wealth will not trade on margin or otherwise use borrowed monies in the management of your account. However, should we recommend you use borrowed money to finance any part of the purchase of a security, and if we provided this RDI to you more than 180 days before making that recommendation, we are required to provide this particular leverage disclosure again at that time.

## **18. Complaints and Dispute Resolution**

We encourage you to bring any complaint forward to your ZLC Wealth Portfolio Manager or Representative and the firm's Chief Compliance Officer. If you have a complaint about our services, please write to us at:

ZLC Wealth Inc.  
Attn: Chief Compliance Officer  
1200 Park Place  
666 Burrard Street  
Vancouver, BC V6C 2X8

Tell us what went wrong, when it happened and what action you expect – for example, compensation, an apology, or account correction. Help us resolve your complaint sooner by making your complaint as soon as possible, replying promptly if we ask you for more information, and keeping copies of all relevant documents, such as letters, emails, and notes of conversations with us or other relevant parties. We will acknowledge your complaint in writing, as soon as possible, typically within 5 business days of receiving your complaint. We may ask you to provide clarification or more information to help us resolve your complaint. We normally provide our decision in writing, within 90 days of receiving a complaint. It will include a summary of the complaint, the results of our investigation, and our decision to make an offer to resolve the complaint or deny it, and an explanation of our decision. If we cannot provide you with our decision within 90 days, we will inform you of the delay, explain why our decision is delayed, and give you a new date for our decision.

If we do not provide you with our decision within 90 days, you can take your complaint to OBSI any time after the 90-day period has ended. If you are not satisfied with our decision, you have up to 180 days after we provide you with our decision to take your complaint to OBSI. You have the right to use the services of the Ombudsman for Banking Services and Investments ("OBSI") if your complaint relates to a trading or advising activity of our firm or by one of our Representatives or Portfolio Managers and you brought your complaint to us within 6 years from the time that you first knew, or ought to have known about the event that caused the complaint, and you file your complaint with OBSI according to its time limits. The OBSI's service is available to clients of our firm; you do not need a lawyer and OBSI works confidentially and in an informal manner. During its investigation, the OBSI may interview you and us; and we are required to cooperate. This does not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. You always have the right to go to a lawyer, who can advise you of your options. There are time limits for taking legal action. Delays could limit your options and legal rights in the future. The OBSI can recommend compensation of up to \$350,000. The OBSI's recommendations are not binding on you or us.

To file a complaint with the OBSI: Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca) Tel: 1-888-451-4519 or 416-287-2877 in Toronto. For more information about the OBSI and their complaint process, visit [www.obsi.ca](http://www.obsi.ca).

## **19. Our Status Outside British Columbia**

ZLC Wealth has its head office in Vancouver, BC. We have appointed agents for service in other jurisdictions in which we do business, as follows:

Alberta Agent for Service: Miller Thomson LLP 700 – 9th Avenue S.W.  
Suite 3000 Calgary, AB T2P 3V4

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We are required to give notice that all, or substantially all, of ZLC Wealth's assets are in British Columbia and it may therefore be difficult for a client resident outside British Columbia to enforce legal rights against the firm.