



ATB

Wealth™

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# The perfect relationship (disclosure document)

A how-to guide for the ideal  
investing relationship

Effective: November 2021

ATB Investment Management Inc.

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## 1. Who we are

ATB Investment Management Inc. (ATBIM), ATB Securities Inc. (ATBSI) and ATB Insurance Advisors Inc. (ATBIA), discussed in this document, are all wholly-owned subsidiaries of ATB Financial and all operate primarily in Alberta. These three subsidiaries conduct business under the trade name ATB Wealth.

ATBIM provides discretionary portfolio management services and acts as an investment fund manager.

ATBIM is registered as a portfolio manager with the Alberta Securities Commission (ASC), its primary regulator. ATBIM is registered in Alberta, British Columbia, Saskatchewan, Nova Scotia and Ontario.

ATBIM is also registered as an investment fund manager in Alberta, Saskatchewan, Ontario, Nova Scotia, and Newfoundland and Labrador.

In addition, ATBIM acts as the manager, portfolio advisor, and trustee for our proprietary mutual funds: the Compass Portfolio series and the ATBIS Pools (ATB proprietary products).

ATBIM investment counsellors and portfolio managers, and anyone performing similar roles with a different title, will be your primary contacts at ATBIM.

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## 2. Staying involved in our relationship

Strong communication is an important part of any relationship. Your investment relationship is no exception. Our investment counsellors and portfolio managers strive to understand your circumstances, needs and objectives, but good advice depends on good and up-to-date information. For this reason, it is important to remain proactive and stay involved in your investment relationship with your investment counsellor/portfolio manager.

It is important for your information to be up-to-date, in order for us to provide you with the best advice. Your situation may change over time, which can affect what advice is best-suited for you. Please advise us of any changes to your personal information that could affect your needs, such as a change in your income, health, marital status, investment goals, risk tolerance, or net worth. This will help us to make recommendations that match your situation as it changes.

We encourage you to stay informed and understand your investments. The better that you understand your own investment situation, the more effectively your investment counsellor/portfolio manager can tailor their advice to you. We can provide you with access to relevant sales literature, such as the "Fund Facts" documents, to explain your investment options, including their risk levels and historical returns. We will also report to you about your investment performance, account activity, and fees, as described below.

If there is any information we can provide that will help you with understanding your investment situation or your relationship with us, please do not hesitate to ask your investment counsellor/

portfolio manager. Please be aware that we cannot provide legal or tax advice, so we encourage you to engage other professionals where appropriate, such as your lawyer or accountant.

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## 3. Our products and services

ATBIM is a portfolio manager with discretionary authority to manage portfolios for individuals over the age of 18, incorporated businesses, trusts, other non-corporate entities, and institutional investors. All accounts opened through ATBIM are discretionary accounts, unless expressly stated otherwise. A discretionary account authorizes your investment counsellor or portfolio manager to conduct trading on your behalf.

At the beginning of the relationship and as required afterwards, your investment counsellor/portfolio manager will prepare and review your personal investment policy statement (IPS) with you. This statement will outline your advisor's recommended investment strategy and asset mix, taking into account, if applicable, your current portfolio structure and objectives, risk profile, income requirements, tax considerations, and any other unique circumstances. Your IPS will outline the proposed asset allocation, any suggested changes to your current portfolio, an execution and implementation strategy, and a plan to monitor and review the portfolio with you.

In addition to the above, your investment advisory services include the investment decisions your investment counsellor/portfolio manager makes, in line with your IPS and any guidelines or restrictions you have disclosed. Within those limits, ATBIM will exercise full investment discretion with respect to buying, managing, and selling the securities in any accounts that are related to your IPS.

When managing your portfolio, your investment counsellor/portfolio manager may select from a wide range of investment options, including:

- Guaranteed investment certificates, high-interest savings accounts and other money-market products;
- Government bonds, corporate bonds and other fixed-income solutions;
- Equities available on North American stock exchanges;
- Investment funds, including our ATB proprietary products; and
- Mutual funds and exchange traded funds.

Our investment services may be provided directly or through the services of sub-advisors of our choosing. We shall provide these services to the best of our judgement and at our sole discretion in accordance with your IPS, and pursuant to our duty of care to you.

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## 4. Custodial relationship with ATBSI

As a discretionary portfolio manager, ATBIM does not hold your investment assets directly. Cash and securities within your accounts must be held by a qualified custodian to ensure proper segregation of duties. ATBIM refers clients to its affiliate, ATBSI, which acts as a custodian over your investment assets.

The custodian holds your assets for safekeeping and settles transactions for which you have authorized your investment counsellor/portfolio manager to act on your behalf.

ATBSI is an investment dealer regulated by the Investment Industry Regulatory Organization of Canada. Client accounts held at ATBSI are insured by the Canadian Investor Protection Fund (CIPF) in an amount up to \$1,000,000 (depending on the products and types of accounts held) should ATBSI become insolvent. There are a variety of factors that the CIPF takes into consideration before determining what it will pay out to an investor. The CIPF does not insure against, among other things, market losses or losses arising from a decrease in value of your investments. For further information see the CIPF website.

As an ATBIM client, your assets will be held in Canada in a fully-disclosed, segregated account at ATBSI, subject to the exceptions mentioned below.

The accounts that we offer are available in Canadian and, in some cases, US dollar denominations. Account types include:

- Non-registered cash accounts;
- Registered retirement savings plans;
- Tax-free savings accounts;
- Registered education savings plans;
- Registered retirement income funds;
- Locked-in retirement accounts;
- Life income funds; and
- Registered disability savings plans.

If your investment counsellor/portfolio manager decides to execute an equity trade, the custodian, ATBSI, will execute this trade through a third-party, the National Bank Independent Network. ATBSI is the dealer of record for these transactions. As a result of this third-party process, equity trades may be subject to longer delays and potentially higher commission fees than would be experienced by securities dealers with direct access to stock exchanges.

ATBIM and ATBSI will each maintain a separate book of records for your accounts. You will receive statements from both ATBIM and ATBSI. We encourage you to compare these reports and speak to your investment counsellor/portfolio manager if you have any concerns.

#### **4.1 Risks arising from the custodial relationship**

ATBIM and ATBSI have a common management team. While ATBSI is a qualified and regulated Canadian custodian, ATBIM and ATBSI are not functionally independent.

Securities regulators have highlighted some risks associated with using a custodian that is not functionally independent. Since the investment management firm, ATBIM, has the potential ability to influence the responsibilities of ATBSI, it can create a heightened risk of asset misappropriation or fraudulent reporting of cash, security holdings and account performance.

We have an obligation to manage this risk in your best interests. ATBSI maintains a system of internal controls and supervision that

is independent from ATBIM, including separate personnel for their custodial function. This system of controls is designed to manage these risks of loss.

A custodial relationship can also expose your assets to a risk of loss if: (a) the custodian becomes bankrupt or insolvent; (b) there is a breakdown in the custodian's information technology systems; or (c) due to fraud, wilful or reckless misconduct, negligence, or error by the custodian's personnel.

#### **4.2 Risks arising from ATBIM's access to your assets within ATBSI**

ATBIM may also have access to your assets within ATBSI in certain circumstances. This includes the following situations:

- Accepting delivery of funds or securities from or to you on a temporary basis, for the purposes of depositing those funds or settling a trade;
- Accepting a cheque or other funds from you payable to ATBSI; or
- Having authority to transfer cash from your account at ATBSI to your bank account.

In each of these cases, ATBIM has been granted access to your assets to help with implementing transactions on your behalf. This is intended for convenience and efficiency in managing your assets. Even this limited access can create some risks of loss: (a) if there is a breakdown in ATBIM's information technology systems; or (b) due to fraud, wilful or reckless misconduct, negligence, or error of ATBIM's personnel. ATBIM is required to insure against this added risk of loss.

Though ATBIM has trading authority over assets held at ATBSI, it is not authorized to transfer securities or cash into or out of your accounts, other than directing a transfer of cash from your ATBSI account to your bank account.

ATBSI must segregate your assets from its own assets. ATBSI may hold securities on your behalf in its own name, as nominee, and may appoint sub-custodians to hold assets on your behalf in foreign jurisdictions. ATBSI is subject to regulatory oversight and has insurance and minimum capital requirements, to protect against your risk of loss.

#### **4.3 Referral arrangement with ATBSI**

If you have been referred to ATBIM by an ATBSI financial advisor or by a representative of ATB, the following information is intended to meet our disclosure obligations to you:

- All activities that require registration will be performed by a duly-registered individual at all times.
- The purpose of the referral arrangement is to ensure our clients receive the most appropriate investment advice for their personal circumstances.
- ATBSI and its employees will have minimal responsibilities once the investment counsellor or portfolio manager has accepted the referral and opened your accounts.
- An ATBSI financial advisor may continue to act as your relationship manager and may, with your consent, assist you by providing details of your portfolios, such as holdings or transactions. Due to regulatory registration requirements, your

ATBSI financial advisor cannot execute any transactions in your account(s).

- ATBIM and your investment counsellor/portfolio manager are registered with the ASC and will be solely authorized to provide investment advice to you or accept trade instructions from you for the discretionary accounts managed by ATBIM.
- ATBIM will be responsible for providing you with investment counseling and portfolio management services. Your investment counsellor/portfolio manager will be your primary contact and is responsible for preparing and maintaining your IPS, effecting transactions on a discretionary basis to execute the investment strategy, arranging for funds to be deposited in your bank account or sent to you, and providing quarterly reporting, monitoring and rebalancing of your portfolio.
- Referral arrangements of this nature can create a potential conflict of interest. This risk and our steps to manage the risk are described in our Conflicts of Interest Statement.
- If the referral is successful, a fee will be paid by ATBIM to ATBSI, who will pay a portion of that fee to your ATBSI financial advisor. This fee is calculated as a percentage of the annual investment advisory fee charged to your account. The precise amount of the fee paid will depend on the advisory fee and the actual balance of your account.
- Where there is a change to the referral arrangement, written notice must be provided at least 30 days prior to the next scheduled referral payment.

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## 5. Limitations on our products and services

ATBIM and its personnel will not recommend a security or purchase or sell a security on your behalf unless they have determined it is suitable for your circumstances and puts your interests first.

Our investment solutions can include our ATB proprietary products. We offer several options that are designed to meet different investment goals and risk profiles. These ATB proprietary products undergo the same due diligence, selection, and ongoing processes as any other investment solutions that we offer. However, ATB proprietary products have some limitations when compared to other investments.

ATB proprietary products do not trade on a general market place. ATB proprietary products are offered by ATBIM and currently through a limited number of authorized dealers. You can redeem your ATB proprietary product back to the fund at any time, but you cannot resell the ATB proprietary product to third parties, including transferring the units to another portfolio management firm. There may be tax implications to consider upon redeeming the units.

Mutual funds (whether proprietary or otherwise) do not generally have a minimum holding period, but they may charge a short-term trading fee of up to 2% in some cases. Short-term trading fees are in place to protect the fund and unitholders from the artificial costs that arise from frequent trading. This fee will typically apply if you switch out of or redeem your investment in a mutual fund shortly after your initial purchase. This fee will apply if the redemption or

switch occurs within 30 days for the Compass Portfolios and within 60 days for the ATBIS Pools.

ATBIM and ATBSI do not offer investments in derivatives, including options and futures contracts.

### 5.1 Trade allocation policy

In the event that several clients wish to take advantage of the same investment opportunity, ATBIM has a policy in place that seeks to allocate trades fairly and objectively between clients. To accomplish this ATBIM utilizes block trading. This means that trade requests for the same security and type of transaction are aggregated across investment counsellors and portfolio managers and then transmitted to the custodian for execution. The trades that have been aggregated are then entered as a single transaction on the market. The securities in that block trade are then allocated to participating clients on an average price basis.

If the demand for an investment opportunity exceeds supply, ATBIM will allocate the investment on a pro rata basis, to the extent reasonably possible, based on the size of the accounts. ATBIM will not show preferential treatment to any client whose investment objectives would be satisfied by participating in that opportunity.

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## 6. “Know your client” information

Your investment counsellor/portfolio manager will tailor their advice to you, based on the goals and aspirations you disclose to us and that we outline in your IPS. This requires us to collect and maintain accurate and up-to-date information about you, known as “know your client” or KYC information. Your privacy is important, and we will work to guard and protect your confidential information. You can learn more about our commitment to your privacy in ATB Financial’s Privacy Code, which we have adopted, available online or through your investment counsellor/ portfolio manager.

KYC information is used to ensure that your investments are “suitable” (in line with your risk profile and investment objectives) and “reasonable” (make sense based on your complete KYC information). The information we collect includes aspects of your personal circumstances such as occupation, family situation, your sources of income and net worth, your investment needs and objectives, risk profile, and investment time horizon. We will inquire about your investment knowledge and a variety of other matters to truly inform us about you.

Your **investment needs and objectives** refer to the results you wish to achieve through your investments, such as preserving your initial capital, generating a stream of income, growing your wealth, or a combination of multiple objectives.

Your **risk profile** refers to both your comfort with accepting risk, as well as your ability to absorb a financial loss if the risk materializes. When considering your risk profile, your investment counsellor/portfolio manager will generally consider your current investment time horizon, stability of income sources compared to your income requirements, overall net worth, and liquidity needs.

Your **investment time horizon** refers to the time period you expect to hold your investments for, to accomplish each of your goals. As your needs change, your investment time horizon may also change.

Your **investment knowledge** refers to your understanding of investing, taking into account your experience, understanding of financial markets, the levels of risk and restrictions involved in different types of investments, and how those risks may affect your returns, among other things.

Your investment counsellor/portfolio manager will use your KYC information to prepare your IPS and inform their investment recommendations. It is therefore very important for this information to be accurate and kept up-to-date. We will also review your KYC information with you periodically.

We will provide you with a copy of the KYC information we have collected at the time of account opening, as well as any time we become aware of a material change to this information.

### 6.1 Contacting your Trusted Contact Person

Your financial security is important to us, and we have internal policies and procedures designed to help protect your wealth. When we gather KYC information from you, we will also ask you to identify one or more Trusted Contact Person – a responsible, trusted person in your life. We may contact this Trusted Contact Person to gather information and discuss your personal situation only in specific circumstances, with your consent.

Your Trusted Contact Person does not, solely by virtue of being declared your Trusted Contact Person, have the authority to engage in transactions, view your account information, or make other decisions with respect to your account. Instead, your Trusted Contact Person is intended to assist us in protecting your financial assets by acting as a trusted source of information.

We may reach out to your Trusted Contact Person for assistance in the following situations:

- If we have noticed warning signs or have concerns:
  - » That you may be suffering financial exploitation; or
  - » About your cognitive capacity or emotional health as it relates to financial decision making;
- To obtain the name and contact information of your legal representative, such as a guardian, trustee, or attorney under a power of attorney; and
- To obtain contact information for you, in the event we have been unable to reach you through our normal means of communication.

In the event we have concerns that you are facing the risk of financial exploitation or the loss of cognitive capacity, we will take reasonable steps to speak with you directly about these concerns before contacting your Trusted Contact Person.

### 6.2 Temporary protective holds

Securities regulators have become increasingly concerned about the risks faced by vulnerable persons for their financial security. Some individuals may be more vulnerable to the risks of financial

exploitation due to illness, impairment, disability, or emotional and physical health concerns. An ill-intentioned person may attempt to take advantage of that vulnerability to appropriate, control, or benefit from the vulnerable individual's financial assets.

These fraudulent or coercive behaviours place vulnerable Canadians at risk every year. In order to protect our vulnerable clients, we have the option to place a temporary hold on certain investment activities in your account. This may include a hold on the ability to purchase or sell a specific security in your account or to withdraw or transfer cash or securities from your account.

For the purpose of protecting your financial security, we may choose to place a temporary hold in two situations:

- If we have reasonable grounds to believe that:
  - » You are vulnerable to becoming a victim of financial exploitation, for example, due to illness, impairment, disability, or emotional and physical health concerns; and
  - » That financial exploitation has occurred, will occur, or has or will be attempted; or
- If we have reasonable grounds to believe that you have lost the cognitive capacity or emotional wherewithal to make financial decisions.

This requires us to have more than just a suspicion that you are at risk. Our advisors must have reasonable grounds to believe the hold is justified, and must document those reasons. If we place a temporary hold on your account, we will contact you to notify you about the hold as soon as possible. This notice will also explain the limits of the protective hold and our rationale for placing it.

Any temporary hold will be reviewed periodically, to confirm whether it should be continued. Once we have placed a hold, we will review this decision at least every 30 days. If we conclude the hold continues to be justified, we will notify you of that decision and our reasons for continuing the hold.

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## 7. Investment risks

When you invest your money, there is uncertainty about how well your investments will perform in the future. Investments usually carry some potential for loss, but the degree of risk depends on the type of investment you choose. Before you make an investment decision, you should consider the risks.

Generally, investors with a high tolerance for risk tend to see the largest gains when the stock market is strong. However, higher risk investments have more uncertainty and a greater potential for loss. Similarly, investors with a low tolerance for risk will often see slower growth, but with less uncertainty and a lower risk of loss. It is important for you and your investment counsellor/portfolio manager to understand both your risk tolerance and capacity for risk in order to make investment decisions that meet your needs.

When we collect or update your KYC information, we will explore your risk profile to ensure that the investment solutions we recommend are suitable for you and put your needs first.

ATBIM may refer to the prospectus or “Fund Facts” document, among other resources, as part of its process to determine risk ratings of mutual funds and other securities. We encourage you to review these documents for yourself, to ensure you are comfortable with your investment risks. When determining risk levels, we use the following general principles:

- **Low Risk** investments refer to investments that have a minimal to moderate return and are relatively safe during normal market cycles. These investments may still suffer loss during chaotic events, but those events are less frequent. These investments are often used to help protect your principal from volatility.
- **Medium Risk** investments typically include investments in companies and sectors that are likely to survive and grow over time, based on their history. These investments may have various types of risks, including market, financial, political, credit, regulatory, and reputational, among others. These investments may suffer greater losses in value during market downturns compared to low risk investments, but tend to provide comparatively higher returns over time in a well diversified portfolio.
- **High Risk** investments refer to investments with a higher potential for loss, but a greater opportunity for above-market returns. This may include investments in emerging markets or industries, where the future value of the investment is unpredictable.

Many investors do not fall cleanly into a single category. You should discuss your risk tolerance with your investment counsellor/portfolio manager in detail, to ensure they are able to make suitable recommendations for your situation.

Your true level of risk depends on more than just the specific investment you choose. The level of diversification in your portfolio is also important. No individual company is guaranteed to succeed in the long-term, so concentrating your investments into a single security, single industry, or single market may carry a higher level of risk.

There are several other risks that may apply, depending on your choice of investments, including matters related to inflation, interest rates, foreign exchange rates, liquidity, credit, small capitalization, operational risks, and geographical risks. In order to fully understand the risks associated with a particular security, please discuss this with your investment counsellor/portfolio manager and review the prospectus and offering documents.

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## 8. Risk of leveraged investing

If you borrowed money to finance the purchase of an investment, there can be a higher level of risk. You must still repay the amount of your loan and any interest owed, even if the value of your investment declines. If you wish to borrow money to finance an investment, you should discuss the decision with your investment counsellor/portfolio manager and ensure you understand the risks.

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## 9. Suitability

Before opening an account or taking an investment action like recommending, purchasing or selling a security in your account, we have an obligation to determine whether the investment decision is suitable for you. This obligation begins at the time of opening your account, to ensure the account type and fees are appropriate for you, given your circumstances.

Your investment counsellor or portfolio manager will review your account at the time of opening to ensure that your IPS aligns with your suitability information. Our compliance group will also review accounts regularly to ensure compliance with the IPS.

We base our suitability determination on, among other things:

- The KYC information that you provided;
- The IPS that your investment counsellor/portfolio manager prepares and reviews with you;
- Your investment counsellor’s or portfolio manager’s knowledge and expertise about that security;
- The impact the investment decision would have on your account; and
- How the costs of that investment decision may affect your return.

In doing so, we must determine not only whether the decision is suitable for you, but we must also ensure your interests are put first. If there are several alternatives that may be suitable for you, we have an obligation to put your interests at the forefront.

We will review the suitability of the positions in your account at the following times, among others:

- Before making a recommendation to purchase, sell, or continue to hold a security;
- Before executing a purchase or sale of a security;
- Any time new assets are transferred into your account;
- If there is a change in your investment counsellor/ portfolio manager;
- If we become aware of a material change in your KYC information;
- After our periodic review of your KYC information; and
- As part of a random sample for an internal audit or automated supervisory query.

Your investment counsellor/portfolio manager will aim to work in your best interests, but it is prudent for you to work together in managing and understanding your account.

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## 10. Conflicts of interest

Any investment relationship comes with the risk of conflicts of interest. A conflict of interest arises any time that your interests diverge from the interests of ATBIM or one of our investment counsellors or portfolio managers. We have adopted policies and procedures to identify any potential, actual, or perceived



conflicts of interest, in order to ensure that ATBIM and its investment counsellors/portfolio managers adhere to the highest ethical standards.

When ATBIM identifies a material conflict of interest, we will manage it in a fair and transparent manner, consistent with your best interests. If a conflict cannot be managed in your best interests through internal controls, we will avoid the conflict entirely. In each case, if we identify a conflict of interest, we will disclose this to you in a timely and meaningful manner.

We maintain a list of all of the potential conflicts of interests that we have identified, together with an explanation of how we have addressed those conflicts, in our Conflicts of Interest Statement. This statement will be provided to you at the time of opening an account, alongside this relationship disclosure document. We will also provide a copy of the Conflicts of Interest Statement any time that a new conflict of interest is identified or if the statement is updated or amended.

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## 11. Fees

ATBIM charges advisory fees based on a set fee schedule. These fees depend on the type of investment mandate chosen for your circumstances, and differ depending on the total value of your accounts. We disclose the full details of our fee structure for your case in a separate Investment Advisory Agreement (IAA), which your investment counsellor/portfolio manager will prepare once your IPS is complete.

The fee schedule depends on the value of your accounts. When determining the fee from the fee schedule, we consider all of the accounts you have with ATBIM. There can be multiple fee schedules that apply to your accounts, depending on your investment solution. For long-term assets, ATBIM's fees are calculated monthly, based on the total combined daily balances in your accounts.

ATBIM accounts also include minimum annual fees. We will charge the minimum annual fee in any particular quarter only if it is higher than your normal advisory fees from your fee schedule for that quarter. These minimum fees are disclosed on your IAA.

Advisory fees are paid directly from your accounts and are prorated to each account based on the account fee schedule. These fees are withdrawn from the accounts to which they apply in the month following the end of each quarter. The fees are charged in arrears, meaning that they are charged after we have provided our advisory services, not in advance.

The fees you pay will also depend on any agreements that ATBIM enters into with external fund managers or sub-advisors. ATBIM enters these agreements in order to utilize the products of those external managers in constructing your portfolio. Any securities in these situations will have a separate product fee that is based on the rate we negotiated with the external manager. This fee is applied for each day the security is held in the account. It is collected at the same time as the advisory fee and passed straight through to the external manager. An estimate of the amount of these fees will be disclosed on your IAA.

The investment solutions your investment counsellor/portfolio manager selects for your situation may include our ATB proprietary products. These do not charge front-load commissions but may charge a redemption fee on ATB proprietary products and non-proprietary products to ATBIM clients.

Investments in mutual funds, including our ATB proprietary products, often have a management fee embedded in the investment. The mutual fund pays these management fees to the investment fund manager, for the purpose of overseeing the management and administration of the fund. Though you do not pay these fees directly, they can still affect you by reducing the funds' total returns.

If a particular security has an embedded fee or if ATBIM or your investment counsellor/portfolio manager would receive third-party compensation in respect of that security, ATBIM will not charge a separate advisory fee in respect of that particular security. Your investment counsellor/portfolio manager will disclose any such third-party compensation in advance.

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## 12. The compounding effect of fees

It is important to understand that the fees and charges you pay can have an effect on the long-term performance of your investments. Annual recurring fees reduce the value of your investments each year, which can have a compounding effect on your return. Since the fees reduce the value of your investments, there will be a smaller amount of money available to invest in future years compared to an account with lower ongoing or recurring fees. In other words, fees cost not only their initial cost, but also the potential lost investment returns that could have been earned on that money.

When the amount of a fee is a percentage of the value of your investment, the compounding effect can be more noticeable. Managers of mutual funds will often charge the fund a fee based on a percentage of the fund's value. These charges are not payable by you directly, but they still affect you by reducing the fund's rate of return each year. Over a long investment time horizon, this compounding effect can cause even small percentage fees to have a meaningful impact on your investment performance.

Your investment counsellor/portfolio manager must consider the cost of investments when determining whether an investment is suitable for you. We encourage you to discuss the effect of fees and compounding on your long-term investment returns with your investment counsellor or portfolio manager.

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## 13. Benchmarks

An investment performance benchmark is a tool that shows the performance of a specific set of securities over time. You may choose to assess the performance of your own investments by comparing their performance to a benchmark.

There are many different benchmarks available. If you choose to use a benchmark, it is important to choose one that is a good comparison to your own investment portfolio. One common

benchmark, for example, is the S&P/TSX Composite Index, which follows the share prices of the largest companies on the Toronto Stock Exchange. This would be a good comparison for a mutual fund that invests only in large Canadian companies, but it would be a poor comparison for a mutual fund that invests broadly in other countries or market segments.

ATBIM will provide performance benchmarks in the quarterly portfolio report it sends to you. To ensure these benchmarks can be compared to your portfolio effectively, we will provide the dollar value and percentage of the holdings for each asset class, together with a comparison of performance of your portfolio against the index for that asset class. These performance comparisons are given for several timeframes, including the preceding two quarters, the previous one, three, five, and ten years, and since portfolio inception.

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## 14. Reporting

ATBIM will deliver a report once per quarter that includes a valuation of your portfolio, a performance assessment, a summary of fees, and an asset mix evaluation. This report is on a consolidated basis for all of your accounts. It will also include recent market commentary.

Once per year, ATBIM will provide you with an annual performance statement and an annual charge/fee summary report. These reports will include, among other things, the following information:

- The market values of all cash and securities in your account at the beginning and end of the period;
- The market value of all deposits and transfers into your account or withdrawals and transfers out of your account over the period;
- The change in the market value of your account, both over the year and since the date the account was opened;
- The annualized total percentage return of your account, net of fees;
- Any operating or transaction charges that may be applicable to your account;
- The amount of each particular operating or transaction charge and the total amount of all charges actually paid;
- Any payments (other than trailing commissions) received by us or your investment counsellor/portfolio manager from a third party for services they have provided to you; and
- A notification of any trailing commissions we received that relate to securities you owned that year, together with the amount of those commissions.

The custodian of your investments—which will generally be ATBSI—will provide you with additional reporting. ATBSI will provide monthly account statements to you for each of your accounts for any month in which a transaction actually occurs. A “transaction” includes, among other things, any purchase, sale or transfer of securities; transfers of funds; receipts or reinvestments of investment returns; and fees or charges. If no transactions occur in the account, ATBSI will issue these statements at least quarterly. These statements will include the following information:

- Details of each transaction, including the date of the transaction; whether the transaction was a purchase, sale or transfer; the name of the security; number of securities purchased, sold or transferred; the price per security; and the total value of the transaction;
- The name and quantity of each security in your account;
- The market value of each security in your account;
- The average cost per unit or share of each security;
- The total cost of all security positions in the statement;
- Any cash balances in your account;
- The total market value of all cash and securities in your account; and
- Which securities may be subject to a deferred sales charge if they are sold, if any.

You may also receive quarterly portfolio reports and commentary from third-party investment managers for securities in your accounts. These may be delivered directly to you, with a copy forwarded to ATBIM. These reports help us to monitor and follow-up on account activity.

We encourage you to review each statement you receive from us and from ATBSI, and advise if you have any concerns.

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## 15. Complaint resolution process

We believe it is important to take accountability when something goes wrong. We have a comprehensive complaint resolution process designed to ensure that any disputes that arise between you and your investment counsellor/portfolio manager, or any of our ATB Wealth subsidiaries are investigated thoroughly and objectively, and are addressed in a timely manner.

If you have a complaint about our services or our sales practices, we encourage you to contact your investment counsellor/portfolio manager. Depending on the nature of the complaint, your investment counsellor or portfolio manager may be able to work with you to resolve the matter. If they are unable to resolve it in a satisfactory manner, the complaint will be escalated to ATBIM Compliance. Any written complaints or complaints about misconduct or sales practices will automatically be escalated to ATBIM Compliance within 24 hours.

You may also raise complaints in writing by contacting us at the following address:

ATB Investment Management Inc.  
#2100, 10020 100 Street NW  
Edmonton, AB T5J 0N3  
atbimcompliance@atb.com

or by calling our Wealth Advice Centre at 1-888-282-3863.

The Chief Compliance Officer will follow up with a letter acknowledging your complaint and including information about what alternative complaint resolution options are available to you at no expense. We generally provide a comprehensive response about the complaint and the results of our internal investigation within 90 days of that letter. If we are unable to provide a



response within that time, we will notify you by mail and provide an explanation for the delay.

If you have not received a response within these timeframes, or if you are dissatisfied with the results, you may contact the Ombudsman for Banking Services and Investments (OBSI) at the following address:

Ombudsman for Banking Services and Investments  
401 Bay Street, Suite 1505  
PO Box 5  
Toronto, ON M5H 2Y4  
1-888-451-4519  
ombudsman@obsi.ca

The OBSI can provide independent dispute resolution services at no expense to you. In order to use this service, your complaint must be raised within six years from the time you become aware of or ought to have become aware of the event. Additionally, if you have received a formal response from ATBIM about your complaint, you must contact OBSI within 180 days of our response to take advantage of their services.

OBSI can recommend compensation up to a maximum amount of \$350,000. Their recommendations are not binding on ATBIM. If you try to resolve a complaint through OBSI, you are not restricted from bringing a complaint to a dispute resolution service of your choosing at your own expense or from bringing an action in court. However, please be aware that the statute of limitations impose time limits for taking legal action, and delays can limit your options and legal rights.