

Policies and Procedures Manual

Optimize Wealth Management

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Introduction

Foreword

Matthew J. McGrath, CFA

CEO, CIO, & Ultimate Designated Person of Optimize Wealth Management

Optimize has always been and will always be fixated on its clients and helping them achieve their specific and unique goals. Moreover, we are a people-driven, values-based, and future-focused firm. Working together, we build teams, families, communities and a better future.

At the core of this belief system is a deep sense of responsibility to our clients as we steward them through their various stages of life. Our clients in turn place a great deal of trust in our firm and our employees.

Our clients' trust must therefore always be at the core of everything we do and how we act. Our employees and our ability to earn and constantly re-earn our clients' trust is our firm's most valuable asset.

Our Policies and Procedures Manual should in turn act as a manual which is essential to upholding your particular duty and responsibility to our clients but also to protect and nurture the level of trust our clients have with our firm.

Please appreciate that trust is the result of our continued actions which demonstrate the highest ethical standards with which we conduct ourselves at and away from work.

As a trusted employee of our firm, thank you for taking the necessary time to learn, understand, and internalize this manual into your particular role with our firm. Your effort to know our policies and procedures directly reflects our shared commitment to put clients first in all that we do.

Opening Statement

Loretta Carbonelli

Chief Compliance Officer of Optimize Wealth Management

Over the past few years, we've seen a dramatic evolution in the Canadian securities. Compliance has moved from a rule-based system to one that's more principal-based, which means we need to consider the spirit of the rules and the outcome of the advice we provide to our clients.

It's important to have high personal integrity which, when combined with a strong culture of compliance, allows us to deliver the best client service possible. Doing the right thing means knowing your client and their financial needs, and putting those needs before your own personal gain. We perform the best execution for our clients by protecting the vulnerable and dealing with all clients fairly, honestly and in good faith.

As the Chief Compliance Officer, through the Compliance Team and the Compliance Framework, we establish and maintain policies and procedures, monitor and assess compliance with the securities regulatory requirements and laws while ensuring our personal integrity remains high.

Our strong culture of compliance helps reassure our clients, keep them happy and most of all builds trust, which in turn leads to our overall success. Please take some time to get familiar with this Policy Manual, to help maintain the standards of care that we are collectively, and individually, known for. (#ComplianceisGood).

Registration Policy

Optimize Wealth Management

Introduction

Optimize provides discretionary portfolio management as part of its suite of services to our clients. This requires our employees to have certain designations or be registered to provide those services.

In the securities industry, both firms and professionals must register with the regulator in each province or territory, or country, where they do business. Registration serves an important function to the industry, the public and clients. It helps protect investors and registered persons because it ensures that only firms and individuals with the proper qualifications receive their registration. Registration protects the public by providing reporting requirements for firms and individuals who seek to uphold a high standard of business conduct, meet the financial and personal needs of their clients, and avoid misconduct.

Registered people, which includes Portfolio Managers and Associate Portfolio Managers, are required to keep their knowledge up to date through regular training to better support our clients. It is also required to keep registration up to date.

As an investment fund manager (“IFM”), Optimize directs the business, operations or affairs of our proprietary investment funds located and managed in Ontario. Certain functions for the IFM may be outsourced to other service providers with the requirement that we supervise the service providers.

As a portfolio manager, Optimize engages in the business of managing the investment portfolios of our investment funds as well as our clients’ accounts. As a registered portfolio manager, Optimize has discretionary authority to buy, sell or hold any security in an investment portfolio. The investment funds and clients grant this authority via a signed agreement.

As an exempt market dealer (“EMD”), Optimize may market and sell securities using an exemption from prospectus requirements. Currently, Optimize is not using this registration category.

Optimize Firm Registration

Categories	Jurisdictions
Investment Fund Manager	ON*
Exempt Market Dealer	BC, MN, ON*, SK
Portfolio Manager	AB, BC, MN, NB, NL, NS, ON*, PQ, SK

*Ontario Securities Commission is the principal regulator

Corporate Registration

The Chief Authorized Firm Representative (“CAFR”) is responsible for maintaining corporate registration matters. They will file changes to Form 33-109F4 or 31-109F6 within the prescribed time frames as the requirements arise.

Registration Policy

NI 31-103 and CP31-103 Part 3, 4 and 7
NI 33-109

Definitions

APM means an Associate Portfolio Manager, also known as an Associate Advising Representative (“AAR”).

CFA means Chartered Financial Analyst a designation which allows charter holders to use their knowledge in a wide range of positions in the finance industry. The CFA provides the qualifications and requirements for membership.

CIM means Chartered Investment Manager is a designation with CSI. It is one of the industry standards for discretionary investment and portfolio management services. It allows qualified individuals to evaluate and manage all aspects of a client’s investment portfolio.

Fiduciary Duty means the obligation of loyalty, reasonable care and prudent judgement when managing someone else’s assets or affairs. A fiduciary occupies a position of trust and must avoid any form of self-dealing in the investment, management or administration of the client assets. PMs and APMs must act for the benefit of their clients and place the clients’ best interest before their own and that of their employer.

PM means a person or company registered as an adviser as a “portfolio manager” or “restricted portfolio” manager. An adviser in securities who recommends an investment or distributes or offers an opinion. Portfolio Managers can act under discretionary trading authority for their clients. Also known as an Advising Representative.

Permitted individuals means a director, partner, officer or branch manager where the individual does not trade or advise. Including shareholders controlling 10 per cent or more of the voting securities of the firm and non-registered individuals acting as the directing minds of the Optimize. Permitted individuals must be registered within 10 business days. It is your responsibility to advise Compliance if you are or become a permitted individual.

Policy

This Policy applies to all employees acting as registered persons as Portfolio Managers (“PM”) or Associate Portfolio Managers (“APM”). This includes PMs or APMs who are client facing or research PMs or APMs who provide a supporting role to the client or funds through market and product research. The requirements for registration of an individual have three major requirements:

- General Proficiency Requirements;
- Education and Experience Requirements; and
- Registration with a provincial or territorial securities regulator.

General Proficiency Requirements & Qualifications

Registration protects investors from unfair, improper and fraudulent practices, fosters fair and efficient capital markets and confidence in capital markets. It also protects investors from harm if someone is inappropriately registered. The regulators require accurate, complete and timely registration information to assess whether a firm or individual remains suitable for registration. Individuals must have the proficiency, integrity, and solvency to be suitable for registration.

Education and Experience Requirements

Optimize will conduct due diligence on individuals prior to seeking their registration as PMs. Generally a PM must attain the education, experience and designation listed below:

- CIM designation through courses offered by CSI, and

- 48 months of professional work experience in investment management, of which 12 months was attained within the last 36 months.

Or

- CFA Charter
- 36 months of profession work experience in investment management, of which 12 months was attained within the last 36 months.

Candidates who have attained their CFA level 1-3 or their CIM but have gained at least 24 months of RIME may work as an Associate Portfolio Manager (AAPM) under the supervision of a PM.

APMs are assigned to a supervising PM as they gain any remaining Relevant Investment Management Experience (“RIME”) required to attain a PM designation. RIME means:

- Securities research and analysis experience, demonstrating an ability in and understanding of, portfolio analysis or portfolio security selection, and/or
- Management of investment portfolios on a discretionary basis, including investment decision making, re-balancing and evaluating performance

The Appendix at the end of this policy provides the specific proficiency requirements of individuals acting on behalf of Optimize.

Registration of Employees

No person may act in a registered capacity until written confirmation from the appropriate provincial regulator is received. Once registration confirmation is received, the appropriate system permissions will be granted to the new PM or APM. All registered employees are required to immediately notify Compliance of any changes to their registration information.

Supervision of Associate Portfolio Manager (APM)

The supervisory PM is responsible to pre-approve the securities advice given by the APM and retain satisfactory records of the pre-approvals.

Prior to any action being taken on a client account the supervising PM must review, approve and sign the following:

- Initial CIF forms and KYC update forms
- Investment policy statements
- Optimize account agreements
- Marketing material and presentations
- Recommendation on how the account will be managed
- Transactions related to securities or model portfolios

Supervising PM’s will ensure that they have adequate information available to make an informed suitability determination. Supervising PM’s will ensure the APM maintains a file of any positions held in the APM’s client accounts that are not part of the assigned Model Portfolio (“Non-Core Positions”). Supervising PM’s will keep a log of their monthly review and add any comments or observations as required.

Compliance reviews a 20% sample of client accounts for compliance; part of this review is to ensure evidence maintained by the Supervising PM is tested.

Procedure for Supervision

The Optimize Investment team has constructed five (5) model portfolios which are assigned to clients according to the CIF and IPS information collected at onboarding. These models have been mapped to a

Suitability Guide which contains a matrix to assist in assigning the most appropriate model to a client account. All new PM and APMs are trained on our products (see the KYP policy) to understand what the different models are, the underlying pooled funds used to satisfy the mandates and which model is appropriate to for an IPS.

PMs and APMs are then trained to use the Suitability Guide which contains a matrix mapping the components used in suitability determination (age, investment knowledge and experience, IO, RP, TH), which supports the model decision.

Putting it all together:

APMs will have the initial call with clients (supervising PM is part of the call) to collect the information required for the CIF and the IPS. They are able to recommend a model due to the training they received for KYP and on the Suitability Guide, which is *de facto* the pre approval they need before they can recommend a model.

The client is informed by the APM during the meeting, that the supervising PM is still required to provide a final approval on the model (this is the control).

If the model is incorrect the PM must call the client for further details and the APM is to receive further training on KYP and Suitability.

If the advice required by the client is outside of the Suitability Guide, the APM sets up a second call with client in order for the PM to provide the appropriate advice (ie legacy positions or needing a bespoke model).

Sample APM Script for initial meeting:

Thanks very much {WP Name}, and it's really great to meet you {Client Names}. My name is {APM Name} and I'm an Associate Portfolio Manager at Optimize. I work alongside WP Name but I also work under PM Name who is my supervising Portfolio Manager. For today's call, I was hoping to go through some questions with you about your specific goals and objectives which in our industry we call KYC questions. And based on that, we'll be able to assign the most suitable Model Portfolio to your accounts which {PM Name} will then review but I can certainly explain on today's call why the model portfolio would be most suitable for you.

As your Associate Portfolio Manager, please know that I'll be working very closely with, and under {PM Name}'s watchful eye, and as a side note, I'm actually working towards becoming a Portfolio Manager myself. As your Portfolio Management team, we'll be responsible in essence for giving you investment advice and managing your account. As your Associate Portfolio Manager, my role is to meet with you, gather pertinent investment information and perform ongoing investment analysis for {PM Name} to review.

I'll work with you to keep your information up to date, coordinate calls and respond to any of your investment related questions. Assuming you move forward as a client, please reach out to me if you'd like to discuss your investments and {PM Name} and I would be happy to coordinate anything in that regard.

Please also reach out to me if there's ever any change in your personal or financial circumstances so that I can update your KYC information and then with {PM Name} we'd be able to consider whether adjustments to your portfolio should be made in light of these circumstances - Make sense?

System workflow

- Information is entered on the system, which includes the notes from the APM. They use the Suitability Guide to assign the model (pre-approval of what they are allowed to do)
- The PM must approve the model before it can move to the next stage (ie. compliance Review)
- Compliance reviews the assigned model for suitability and reasonableness
- Client docs get populated from System
- Client is sent documents for signing
- Once the signed documents are returned to Optimize, the PM reviews and signs the docs

- Compliance provides final review and approval (of executed documents)
- Account is approved

Summary of activities for an APM

The chart below summarizes the activities an APM can perform during their supervision period.

APM may perform the following activities under PM supervision							
	Complete CIF	IPS	Asset Allocation	Client Suitability	Recommend Model Portfolios	Monitoring client Portfolios	Research asset class or economy
CIM in first year	Yes but PM reviews and signs	May complete but PM to review, approve and sign	Yes under supervision	Yes under supervision	Must work within Firm's Model Suitability Guidelines and have PM review and approve prior to assigning Model to account	Yes	Yes
CFA Level 1-2	Yes but PM reviews and signs	May complete but PM to review, approve and sign	Yes under supervision	Yes under supervision	Yes, PM to review and sign off	Yes	Yes
CFA 3	Yes but PM reviews and signs	Yes, PM to review after fact and sign	Yes PM to review after fact	Yes PM to review after fact	Yes, PM to review and sign off	Yes	Yes
CFA Charter and CIM with 12 months experience	Yes but PM reviews and signs	Yes, PM to review after fact and sign	Yes PM to review after fact	Yes PM to review after fact	Yes, PM to review and sign off	Yes	Yes

Six Month Supervision of new PMs

At the discretion of the Supervising PM, an additional 6-months of supervision can be imposed on any newly registered PM. The Supervising PM should define whether or not the supervision is to be conducted on a pre or post activity basis. The Supervising PM issues a letter explaining the reason for the additional conditions, whether or not it is pre or post activity and/or listing any other requirements. The Supervising PM then provides this supervision report to Compliance.

Education: Initial Qualifications and Continuing Education

An individual must not perform a registration activity unless they have the education, training and experience that a reasonable person considers necessary to perform the activity competently.

Registered employees should update their knowledge and training to keep pace with new securities, services and developments in the industry that are relevant to their business.

It is the registered employee's responsibility to know the continuing education requirements for registration, or designation, and for maintaining a record of all courses and the amount of credit each course qualifies for. From time to time, the regulators may require proof of completion of continuing education programs.

Suspension, Revocation of Registration and Regulatory Exemptions

The Regulator can suspend or revoke an individual or firm's registration for a variety of reasons.

Once an employee ceases to have the authority to act as a registered individual on behalf of the firm because of an end, or change in, employment with Optimize, your registration is suspended until reinstated or revoked. If registration is suspended and not reinstated, it is revoked on the second anniversary of the suspension.

An individual's registration may be suspended if the Regulator determines that it is no longer in the public interest for the individual to be registered. The regulator may do this if it has serious concerns about the ongoing fitness of the individual.

Our firm registration can also be suspended for failure to pay fees or if our membership is revoked or suspended by the Regulator because it is the public's interest. When our firm registration is suspended, we can no longer act as a dealer, an underwriter, an adviser, or any investment fund manager.

The Regulators or SRO may grant exemptions from the normal requirements of Securities Laws in certain circumstances. These exemptions vary from jurisdiction to jurisdiction, can be permanent or for a specified time, but may include exemptions from registration requirements for employees, Executive Officers, Directors and Consultants or the firm.

If you believe you may qualify for an exemption, contact Compliance. If you are subject to an exemption, be sure to advise Compliance so the exemption(s) can be tracked as well as any terms and conditions.

Non-Registrants Performing Registerable Activities

Simply providing factual information is not advising in securities. Section 75 of the Act provides that no person shall act as a dealer, adviser or investment fund manager unless registered in accordance with securities laws. No individual shall, directly or indirectly, perform registerable activities on behalf of a person or company required to be registered unless that individual is registered in accordance with securities laws.

Many findings by Regulators have noted situations where registerable activities were being performed by non-registered individuals. Some of these situations include:

- KYC collection
- Suitability assessments
- Delegating certain aspects of product discussions with clients to unregistered individuals, even if a preliminary suitability assessment is done
- Delegating authority to unregistered referral agents to promote or discuss details about securities with clients
- Investment decisions for investment funds being made by non-registrants
- Participation in Investment Committees responsible for making investment decisions on behalf of a managed portfolio or investment fund

Any person in the business of making securities investment decisions on behalf of another is subject to the adviser registration requirement under securities laws. When using the advisory services of experts as part of the portfolio management due diligence process, we must ensure that registered individuals have the final decision-making authority for investment decisions.

Registration Triggers

Regulators consider "business triggers" when determining if a non-registered individual is performing registerable activities: an assessment of whether the activity involves dealing in securities or advising in securities; If yes, an assessment of the extent to which the activity is being conducted as a business.

Factors that will be taken into account for the purpose of determining whether any trading or advisory activity is being conducted as a business will include:

- Promoting securities or stating that the individual or firm will buy or sell securities
- Intermediating a trade between a buyer and seller of securities
- Making a market in securities

- Undertaking the activity, directly or indirectly, with repetition, regularity or continuity
- Being, or expecting to be, remunerated or otherwise compensated for undertaking the activity
- Soliciting, directly or indirectly, others in connection with the activity, and
- Holding oneself out, directly or indirectly, as being in the business of the activity

Essentially, engaging in any activities similar to a registrant can be considered a “business trigger” and registered employees must be cautious when working with non-registered employees so they do not perform registerable activities.

The Mobility Exemption

There is a registration exemption for dealers, advisers, and individuals employed by firms known as the “mobility exemption” which is available for a dealer, an unrestricted adviser, a group savings plan firm, or individual salespersons to allow a firm or individual to continue dealing with a client who moves to another jurisdiction and with family members of that client without registering in the other jurisdiction. There are several criteria that must all apply:

- the person/company is registered as a dealer or adviser in its principal jurisdiction
- the person/company does not act as a dealer, underwriter, or adviser in the local jurisdiction other than as it is permitted to in its principal jurisdiction according to its registration
- the person/company does not act as a dealer, underwriter, or adviser in the local jurisdiction other than in respect of 10 or fewer eligible clients
- the person/company complies with Part 13, Dealing with Clients—Individuals and Firms
- the person/company deals fairly, honestly, and in good faith in the course of its dealings with an eligible client.

If an employee relies on the exemption, the firm must complete a registration Form. Contact Compliance if you believe you may qualify for this exemption. Compliance will conduct an assessment to determine if we will rely on this exemption or register the PM or APM in that jurisdiction.

CCO & UDP

The CCO and UDP are registered individuals who perform compliance functions. Their duties are outlined in the Optimize Compliance Framework, and the Appendix to this policy contains the required proficiencies.

Our firm has a designated CCO. The CCO must have the knowledge and ability to design and implement an effective compliance system, the ability to perform the obligations of a CCO, and be an officer or partner of the registered firm, or the sole proprietor of the registered firm.

Our firm also has a designated UDP who is the CEO (or equivalent). The UDP has the responsibility to ensure strong compliance at the top of the organization. The UDP promotes a culture of compliance and oversees the effectiveness of the firm’s compliance system. There are no specific education or experience requirements for registration of a UDP but they must have the knowledge and ability to be an effective UDP.

Business Titles & Non-Securities Designations or Licenses

The Client Focused Reforms prohibit registered persons from holding out their services in a way that may deceive or mislead another which means that registered persons must now report their business titles and professional designations they use, including non-securities license numbers, in NRD. Registered employees must report and use the title that was approved by the firm.

Registered employees must also provide all non-securities professional designations or licenses, registration numbers and the registration body. This includes any non-securities designation like a medical license. Please refer to the [Use of Titles Policy](#) for details.

Financial Fitness

In addition to ensuring all personal information is kept up to date on NRD, registered employees must report:

Debt Obligations, Garnishments, Seizures

If you failed to meet a financial obligation of \$10,000 or more when it came due or were a partner, officer or major shareholder of an entity who failed to meet any financial obligation of \$10,000 or more.

Any indebtedness leading to a garnishment, seizures or debt owing to a third party, unsatisfied judgments or directions to pay by the registered person or as a partner, director, officer or major shareholder of a business entity.

Bankruptcies

The regulators clarified that any bankruptcy, consumer proposal and or other insolvency event must be reported, no matter how long ago they occurred.

Dissolution of an Entity

If you are involved in an entity or business that winds up or dissolved under the Companies' Creditor Arrangement Act (Canada).

Criminal Offenses

Registered persons must report all criminal offences including any offence under Canadian laws (Criminal Code, Income Tax Act, Competition Act, Immigration and Refugee Protection Act, Controlled Drugs and Substances Act) which also include record suspensions and absolute/ conditional discharges. This includes criminal offences in any foreign jurisdiction or if you were a partner, director, officer, major shareholder or part of entity that was found guilty of a criminal offence.

Civil Claims

The amount of the civil claim does not matter for the purposes of reporting, however, reporting in NRD is only required with significant developments. Routine advances of a civil claim, like participating in an examination for discovery, is not relevant unless the advance is significant.

Cessation/Termination of Registration

Optimize must report misconduct and allegations of misconduct, including non-compliance issues that extend beyond fraud, theft or securities-related activities. At the time a registered employee ceases working at our firm, we will assess the registered employee for any crime, contravention of any statute, regulation, Order of a Court or regulatory body, contravention of any rule or by-law of an SRO, professional body or similar organization. This also includes any failure of the registered employee to meet any standard of conduct of our firm or professional body. Allegations of non-compliance with any standards of conduct, policies or procedures at the time of resignation or termination from firm, regardless of the circumstances, will be reported in NRD.

Filing Firm Level Registrations

Compliance through the CAFR performs all of the firm's Registration activities including (but not limited to):

- Regulatory Filings – initial and ongoing, reporting on breaches
- Payment of Regulatory Fees, which include Provincial Annual Filings, NRD Fees or other fees
- Insurance and notice of changes
- Assessing and assisting to draft exemption applications
- Monitoring any regulatory exemptions

Filing Employee Level Registrations

The CAFR is responsible for filing individual registrations.

New Employees

No person may be hired into a registered role until:

- They have been assessed for fitness to be in line with the values of Optimize;
- Compliance has performed CSA, CIM or CFA checks to verify their fitness for registration;
- Compliance has performed a credential check for other applicable education items;
- The CCO has reviewed their employment contract to ensure the appropriate clauses are present and to perform a conflict of interest assessment; and
- Once the employment contract is signed and accepted, the CAFR will contact them to proceed with registration.

Existing Employees

Existing Employees who are being promoted to APM or PM, will be contacted by the CAFR who will provide them with a template for the registration process.

The Contract of Registered Employees will contain the following clause:

“Your employment with Optimize Inc. is subject to your licence being current and free of any terms and conditions imposed by the relevant Provincial Securities Commission. Your continued education requirements must be up to date. You are responsible for keeping credentials required to fulfill your employment obligations to Optimize Inc. current. Should we become aware of a breach of your licensing or pending sanction, you may be dismissed for cause.”

Any registered employees with historical contracts shall be deemed to be subject the above-requirements.

Annually

All registered employees are required to attest annually that they have reported any changes to their permanent NRD record to Compliance, all reportable Outside Activities have been disclosed and that they have complied with the Employee Trading Policy.

Departures of Registered Employees

The following procedure is in place when there is a departure of a registered Employee:

- HR will notify the CAFR indicating whether the departure was voluntary or for involuntary. If applicable Compliance will conduct an assessment to confirm if there was any wrongdoing;
- The CAFR will file the appropriate notice on NRD;
- Operations will ensure all system access have been canceled and any equipment returned;
- Operations will coordinate communication to clients of the departure of a PM or APM;
- Sales will coordinate communication with Wealth Planners or any other impacted group; and
- All clients will be re-assigned to another PM or APM at the discretion of the Executive VP Corporate Development.

Appendix: Proficiency Requirements

Portfolio manager		
Advising representative	Associate advising representative	CCO
<p><i>One of these two options:</i></p> <p>1. CFA and 12 months of relevant investment management experience in the 36-month period before applying for registration</p> <p>Or</p> <p>2. CIM and 48 months of relevant investment management experience (12 months gained in the 36-month period before applying for registration)</p>	<p><i>One of these two options:</i></p> <p>1. Level 1 of the CFA and 24 months of relevant investment management experience</p> <p>or</p> <p>2. CIM and 24 months of relevant investment management experience</p>	<p><i>One of these three options:</i></p> <p>1. CSC except if the individual has the CFA or CIM designation, PDO or CCOQ, and CFA or a professional designation as a lawyer, CA, CGA, CMA, notary in Québec or the equivalent in a foreign jurisdiction, and:</p> <p>a. 36 months of relevant securities experience working at an investment dealer, registered adviser or investment fund manager, or</p> <p>b. 36 months providing professional services to the securities industry and 12 months working at a registered dealer, registered adviser or investment fund manager, for a total of 48 months</p> <p>or</p> <p>2. CSC except if the individual has the CFA or CIM designation, PDO or CCOQ and five years working at:</p> <p>a. an investment dealer or a registered adviser (including 36 months in a compliance capacity), or</p> <p>b. a Canadian financial institution in a compliance capacity relating to portfolio management and 12 months at a registered dealer or registered adviser, for a total of six years</p> <p>or</p> <p>3. PDO or CCOQ and advising representative requirements – portfolio manager</p>

Investment fund manager

CCO

One of these three options:

- 1. CSC except if the individual has the CFA or CIM designation, PDO or CCOQ, and CFA or a professional designation as a lawyer, CA, CGA, CMA, notary in Québec or the equivalent in a foreign jurisdiction, and:**
 - **36 months of relevant securities experience working at a registered dealer, registered adviser or investment fund manager, or**
 - **36 months providing professional services in the securities industry and 12 months working in a relevant capacity at an investment fund manager, for a total of 48 months**
- 2. CIF, CSC or IFIC; PDO or CCOQ and five years of relevant securities experience working at a registered dealer, registered adviser or an investment fund manager (including 36 months in a compliance capacity)**
- 3. CCO requirements for portfolio manager or exempt from these requirements under subsection 16.9(2)**

Ethics Program

Optimize Wealth Management

Optimize Ethics Program

At Optimize Wealth Management (“Optimize”) we are all responsible to maintain a high standard of conduct in all interactions with clients, colleagues, and the public. It is a commitment we make for the client’s trust, it is an industry requirement, and a requirement of securities law.

Representative means anyone acting on behalf of Optimize, as an agent, employee, independent contractor or registrant. For the purposes of the Ethics Program the use of the term “Employee” encompasses all Representatives

CFA Code of Ethics

We have adopted the CFA Institute Code of Ethics and Standards of Professional Conduct as an ethical benchmark for all employees. These standards mean the professional shall:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets
- Place the integrity of the investment profession and the interests of clients above their own
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession
- Promote the integrity and viability of the global capital markets to benefit society
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals

Responsibility for Employees:

Individually:

- Obey the law at all times
- Understanding and abiding by our Ethics Program and all Optimize’s Policies, Procedures or Guidelines
- Knowing the level of authority included in each role and respecting the limits of authority
- Acting in a manner that promotes our Ethics Program: values of integrity, accountability, caring and respect
- Promptly raising concerns about integrity issues or violation of this Program or Policies, Procedures or Guidelines
- Cooperating in any investigation as required by Optimize, our regulators or other enforcement agencies

Senior Officers:

- Lead by example and serve as positive ethical role models
- Reinforcing the Ethics Program by ensuring employees understand their responsibilities
- Creating an open work environment
- Preventing retaliation against those who speak up
- Responding appropriately when violations are reported
- Escalating concerns where issues require it

You are required to sign an annual acknowledgment stating that you have read and understood Optimize’s Ethics Program and that you have adhered to the policies set out within it.

Our reputation depends on all of us doing the right thing. Unethical behaviour can compromise the trust of our clients, colleagues, other employees, and the public. While it may not be possible to conceive of every situation that requires ethical judgement, when you exercise high ethical standards and take care in the performance of your duties, you are helping to maintain our most valuable asset-our reputation. A failure to meet the Optimize Ethics

Program, Optimize’s Policies, Procedures or Guidelines, could lead to disciplinary action, up to and including termination.

Components of the Ethics Program

The Optimize Ethics Program will provide employees with the tools to observe high standards of personal and professional integrity:

- Providing Leadership, Ethical Culture and Tone from the Top
- Appointment of an Ethics Officer to lead the Ethics Program
- Policies, procedures and guidelines
- Training & Education
- Monitoring & Reporting

Providing Leadership, Ethical Culture and Tone from the Top

The Board, the CEO, and senior officers at Optimize are responsible to ensure that all aspects of Optimize ongoing business meet the highest standard of professional and business conduct, and to ensure compliance with regulatory requirements.

Appointment of the Ethics Officer

The CEO will appoint a C-Suite Officer to the role of Ethics Officer, who will be responsible to maintain the program, including ensuring the annual acknowledgements are obtained. They also serve as internal contact for employees who wish to escalate ethics or governance concerns.

Policies, procedures or guidelines

The Chief Compliance Officer (“CCO”), or their delegate, is responsible for implementing Policies, procedures or guidelines required for the Ethics Program. The following Policies directly support the Program. All employees of Optimize are expected to be familiar with them.

- 6.1 Confidentiality & Non-Public Information
- 6.2 Conflicts of Interest
- 6.3 Outside Activities
- 6.4 Gifts and Entertainment
- 6.5 Whistleblower
- 6.6 Use of Titles Policy
- 6.7 Communicating with Clients & Social Media
- 6.8 Employee Trading

Training & Education

The Ethics Officer together with the CCO are responsible for ensuring all employees of Optimize have received training on the Ethics Program and its policies. Training will be provided at least annually, and for new employees within 30 days of their joining. Enhanced training will be provided if there are any changes to the Policies and if there is a material breach to the Ethics Program which requires reinforcement.

Monitoring & Reporting

On an annual basis, the Ethics Officer along with the CCO will provide a report to the Board on the status of Ethics at Optimize. The report will contain a high-level summary of any ethic breaches, a risk assessment if applicable and any changes made to the Program. All serious concerns will be escalated as they occur.

Escalation

Optimize will not retaliate against anyone who escalates a matter honestly and in good faith in the below scenarios:

Any employee may escalate an ethics concern to the Ethics Officer or an Optimize Director or Officer without fear of retribution

Any employee can escalate issues whereby Optimize is acting contrary to securities regulation to the OSC-Office of the Whistle-blower (see [Whistleblower Policy](#))

Restricted Activities

All employees are expected to adhere to the Ethics Program as a condition of their employment with Optimize. In addition to restrictions mentioned throughout our Policy Manual, the following activities are also restricted.

Misuse of Information: Knowledge gained from Optimize’s business is strictly confidential and may not be used for any personal or business transaction before that information becomes public; nor may it be used for public forums or online reviews; nor may it be transmitted to outside persons, including household members or to other employees who do not require the information in their work.

Use of Misleading Business Titles or Non-Securities Designations/Licenses: Employees may not hold out their services in a way that may deceive or mislead others. Registered employees are required to report their business titles and professional designations including non-securities licenses or designations on the National Registration Database. Employees are only permitted to use titles or designations as set out in the Use of Titles Policy and require prior approval from Compliance.

Acting Outside of the Scope of Your Role/License: Employees must act within the scope of their licenses, if any. Only PMs, or APMs acting under their supervision, are permitted to make investment decisions or provide securities advice to clients of the Firm.

Proprietary Information: Optimize’s property, including computer systems, is to be used for purposes explicitly approved by management. All software developed by employees or provided by third parties along with technical trading practices and strategies are the property of Optimize and may not be communicated to third parties or copied.

Publications: Speeches, letters or articles written for presentation or publication for Optimize or otherwise, must have prior approval of Compliance.

Use of Position: Optimize’s name or facilities may not be used for personal advantage in political support or campaigning, investment or retail purchasing transactions, or in similar types of activities without the prior approval of the UDP. If an employee is involved in these types of activities, the employee should make it clear that the activity is personal and not sanctioned by Optimize.

Restrictions on Insider Trading and Tipping of Non-public Information: It is a serious ethical, and in certain cases criminal offence for an employee to disclose or use material information that has not been generally disclosed (or “insider information”) about Optimize’s activities or Clients for their benefit, or for the benefit of others. Employees are prohibited from (regardless of how information is obtained):

1. transacting in any securities (including derivatives and hedging strategies) held by Optimize Funds or any other reporting issuers, while in possession of any insider information related to them;
2. conveying or “tipping” material to others of insider information about Optimize, Clients or reporting issuers; and
3. recommending or encouraging another person or company to purchase or sell securities of an issuer about which you have insider information.

Anti-corruption and Bribery: The *Corruption of Foreign Public Officials Act* (Canada) criminalizes the bribery of public officials who are outside Canada. The *Criminal Code* (Canada) also contains a number of domestic offences for bribery, breach of trust, corruption, and influence-peddling, applicable to both public officials and private parties. Employees are responsible for adhering to the standards and restrictions imposed by those laws, rules and regulations.

A “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party or other questionable inducements to influence government decision making or any business transaction.

Optimize strictly prohibits any (a) illegal or corrupt practices, and (b) the use of company funds or assets for any unlawful or improper purpose. Indirect corrupt practices (i.e., committed on the firm’s behalf by third parties) is also prohibited.

Financial Responsibility: We are in the business of providing financial service and advice to our clients. Optimize has an expectation that as an employee you will manage your own financial affairs responsibly. Employees may not deal with clients unless they have disclosed in confidence to HR in the case of non-registered employees or Compliance for registered employees any of the following: Debt Obligations (other than normal course such as mortgages or lines of credit), Garnishments, Seizures, Bankruptcies, Criminal or Civil Claims or any other financial or legal hardship. For PMs and APMs, Optimize is required to report any of the above on NRD. Resources and support are available should it be required.

Payoffs and Solicitation: It is strictly prohibited to solicit or accept payoffs from suppliers or Clients and is grounds for immediate dismissal. Any payments or offerings suggestive of bribes and unauthorized commissions for new or enlarged business placements must be directed to the CCO for investigation.

Personal Financial Dealings With Clients: Any relationship of a financial nature with a client must be conducted in a manner which avoids any real or potential material conflicts of interest. You may not have a relationship of a financial nature with our clients, except in very rare cases and it must be approved in writing by the CCO or UDP. This means, you may not, without the approval of the CCO or UDP:

- Personally lend or extend credit to any clients
- Borrow money from clients
- Make up client’s losses from your own funds
- Share a financial interest, private investing activities or business with a client
- Provide professional services to a client not related to the functions carried out by you at the firm
- Provide or accept substantial monetary or non-monetary benefits such as gifts or charitable donations
- Enter into any settlement agreement with a client without our prior written consent

You cannot journal money, trades or securities between an employee account and that of a client. Only the CCO or the UDP may perform that function in very limited circumstances. The CCO will conduct added supervision depending on the nature of the relationship.

Discrimination: Optimize will not tolerate discrimination against any persons due to race, colour, ancestry, place of origin, religious beliefs, gender, age, physical disability, mental disability, marital status, source of income or sexual orientation. It is everyone’s responsibility to create a workplace free of discrimination and harassment.

Workplace Violence: Optimize has zero tolerance for violence, harassment, threats, verbal abuse or any other forms or acts that threaten the safety or wellness of others in the workplace.

Drugs and alcohol: It is strictly prohibited for any person on Optimize’s premises to purchase or sell controlled substances at any time. It is also strictly prohibited for any employee to be under the influence of illegal drugs regardless of when they were consumed.

It’s not acceptable for any person to be under the influence of alcohol during work hours if that consumption could result in impaired judgment or could affect work performance. Alcohol must never be served or consumed on the premises, except when approved by a senior officer. When approved alcohol is consumed it must be consumed responsibly and in moderation.

Resources are available for employees who face difficulties related to alcohol or drug addiction.

Confidentiality and Non-Public Information

NI 31-103 and CP31-103

Policy

Clients' affairs must be held in the strictest confidence. At no time, should you personally benefit from your knowledge of a clients' affairs, or by disclosing confidential information to allow another party to benefit from such knowledge.

As an employee of Optimize, you may engage in activities that could give you advanced knowledge of corporate information or securities and market information. For example, you may learn confidential information as you type documents, fax or e-mail reports, file papers, deliver opened mail or overhear office conversation. It doesn't matter how you come across the information; you must keep it confidential. You must not:

- Use any knowledge or information to your own advantage;
- Disclose it to others (a spouse, friend, customer, etc.) before it is deemed no longer confidential; and
- Have any involvement in the purchase or sale of public securities, on your own or anyone else's behalf, where the activity is a result of using material non-public information.

Confidentiality rules extend beyond the laws and regulations around insider trading and tipping; information can be learned about companies that are not reporting issuers or about individuals. The same standard of confidentiality will apply in these circumstances.

A registered employee who buys or sells public shares or informs another to buy or sell shares where they have confidential information about a public share value, is at risk of being fined, and, in serious cases, given a jail sentence under securities law. We are also at risk of fines, legal or regulatory action through the improper actions of our employees. The securities licenses of our firm and its registered employees could be suspended or terminated where illegal trading or informing occurs. It is extremely important that you comply with requirements to keep confidential information confidential, please refer to our Privacy Policy for further information.

Non-Public Information

From time to time, employees may become aware of the following types of (material, non-public) information about reporting issuers in carrying out daily work routines. For example:

- A public security held by Optimize Funds or that a Client is planning on buying all or a significant portion of a public company
- A public company is planning to buy all, or a significant portion of a public security held by Optimize Funds or a Client
- A public company owned by Optimize Funds or a Client, is planning to sell a large portion of its assets

Only after such information is disclosed to the public is the prohibition against dealing with or discussing such information lifted, subject to a two-day cooling off period for personal trades of public securities. Public disclosure can be made through newspapers, television, websites, research reports, publicly available documents (e.g., management information circulars or financial statements which have been delivered to shareholders of a corporation) or press releases among other means.

Identifying & Managing Conflicts of Interest

NI 31-103 and CP31-103 Part 13, Division 2, 13.4

Policy

This Policy applies to all employees acting on behalf of Optimize and outlines our responsibility for managing conflicts of interest. All employees have an ongoing responsibility to identify and disclose potential conflicts of interest in relation to Optimize, themselves and the clients.

A Conflict of Interest includes any circumstance where:

- the interests of different parties, such as the interests of a client and those of a registered employee, are inconsistent or divergent
- a registered employee may be influenced to put their interests ahead of their client's interests;
- monetary or non-monetary benefits available to a registered employee, or potential detriments to which a registered employee may be subject, may compromise the trust that a reasonable client has in their registered employee; or
- any instant where an employee or registered employee has an incentive to favour the interest of one client over another.

A Conflict of Interest is material if it affects the decision making of the client or judgment of our firm or employees. We are obligated to disclose conflicts that exist by providing a comprehensive conflict of interest disclosure package and by proactively identifying conflicts on an ongoing basis as they may arise. Employees are expected to discuss conflicts with clients and address any questions they may have.

Responsibilities

Optimize is responsible for assessing the materiality of the conflicts and addressing any material conflicts in the best interest of the client. If a material conflict of interest cannot be addressed in the best interest of the client, we will avoid the conflict of interest.

Registered employees must take reasonable steps to do the following:

- identify existing material conflicts of interest, and any that are reasonably foreseeable, between themselves and the client;
- upon identification of a material conflict of interest, the registered employee must report the conflict of interest to the CCO or any member of the Compliance team;
- the employee, working with the Compliance team, must address all material conflicts of interest between the client and themselves in the best interest of the client;
- avoid all conflicts of interest that cannot otherwise be addressed in the best interest of the client; and
- the registered employee must not engage in any trading or advising in connection with a material conflict of interest identified unless the conflict has been addressed in the best interest of the client; and the CCO has given the registered employee consent to proceed with this type of activity.

Disclosure Requirements

Optimize is required to disclose in writing all material conflicts of interest identified to a client whose interests are affected by the conflicts of interest if a reasonable client would expect to be informed of such conflicts. Identified conflicts are to be disclosed to clients before opening an account with us, and in a timely manner upon the identification of a material conflict not previously disclosed. We deliver a Conflict of Interest Brochure ("COIB") to clients as part of onboarding, and should there be updates to identified conflicts, we will notify clients of the changes. The disclosure must be in plain language and include a description of each of the following:

- the nature and extent of the conflict of interest;
- the potential impact on and risk that the conflict of interest could pose to the client; and

- how the conflict of interest has been, or will be, addressed.

The CCO is responsible to ensure the COIB is kept current. At least annually the Compliance Team will review the COIB to determine if any changes are necessary.

Identifying & Reporting A Conflict

Employees should be aware of conflicts that may arise, in order to better understand the nature of the potential conflict, you should consider:

- Is the client aware of the circumstance that may lead to the conflict?
- How are they impacted?
- How does the firm benefit?
- Are appropriate steps being taken already by the client, firm, employee/registered employee to address the conflict?

Should a situation arise where you become aware of a situation that may be or may lead to a conflict of interest, you must escalate it to Compliance for additional guidance. If you have any questions on whether a certain circumstance may create a conflict, please speak to Compliance. They will assess if:

- the conflict of interest is material
- For material conflicts of interest, determine if it requires escalation and if our current policies address the conflict of interest
- If no policy covers the specific conflict, the CCO must escalate the matter to the UDP with a recommendation for addressing the material conflict in the best interest of the client

Conflicts of Interest Inventory

The Conflicts of Interest Inventory tracks and addresses conflicts of interest both material or other. It is used as a tool by Compliance to assess each conflict as it arises to determine whether we avoid, manage and/or disclose the conflict to our clients. This is done by assigning a risk and materiality score to the conflict, which is reviewed at least annually and as a conflict arises. In summary, the Compliance Team maintains the Conflicts of Interest Inventory that:

- assesses the materiality of each conflict of interest identified by the firm and/or its Registered employees
- documents the controls in place to address the conflicts in the best interest of our clients
- documents the conflicts identified and avoided
- assigns an overall risk/materiality score to determine whether we will manage/disclose or avoid the conflict; and
- ensure we are maintaining or updating our disclosure requirements.

Training

Compliance is responsible to provide adequate training for employees to ensure registered employees are equipped to:

- identify existing and reasonably foreseeable material conflicts of interest between a registered employee and our clients; and
- address material conflicts of interest in the best interest of our clients; and
- put our client's interest first when making suitability determinations for our clients; and
- be able to address any questions or concerns that clients may have related to conflicts of interest.

This topic will be covered at least annually in the annual compliance training program and provided to new employees within 30 days of joining the firm.

Key Conflicts Of Interest

We have set out below certain activities that we identify as inherent conflicts of interest that are either prohibited or have been actioned in favour of our clients. Please note that this list is not exhaustive.

Proprietary Products

In providing services to clients, PMs may exercise their discretion to recommend the use of the Optimize Funds. A conflict arises when Optimize receives additional revenue from the introduction of proprietary services. In this case, it may be perceived that we are favouring our business interests above the clients. This conflict is managed in the following manner:

- Ensuring that each service offering we recommend to a client is based on a comprehensive suitability assessment employing a robust KYC/Suitability/KYP process supervised by Compliance
- Ensuring all fees are disclosed to clients to ensure they understand the costs associated with such additional services
- If there is discretionary compensation, it will be derived from a formula based on overall assets and is not client or product driven, and
- Prohibiting any sort of compensation or incentive of any kind from any third-party manager.

Every service offering provided to a client must, above all else, be suitable and in the client's best interest.

Fair Allocation of Investment Opportunities

It is Optimize's policy to fairly and equitably allocate investment opportunities among clients. This addresses any potential conflict of interest that may arise and ensures that all clients are treated fairly. For the most part clients are invested into Model Portfolios as described in the Private Client Brochure. Our Funds trade weekly, which allows for similar clients to be invested at the same time and at the same price.

Full Control Over Client Affairs

We deem full control or authority of a client's financial affairs to be an inherent material conflict of interest; therefore, such activity is prohibited. No employee may act as trustee, executor, settlor, power of attorney or any other position that may give a registered individual or other employee control over the financial affairs of a client unless exceptions have been pre-approved by Compliance.

Compensation And Incentive Practices

Revenue Based Compensation

Employees may be compensated either by salary, salary and bonus, or by commission as a percentage of the revenue we derive based on client assets managed. This may be a conflict of interest, and we manage this conflict in the following way:

- The service or offering provided must be deemed suitable and appropriate to each client
- Every service or product offered is reviewed and approved by the firm on an ongoing basis
- Client suitability and KYC are reviewed by Compliance to ensure that services being offered are appropriate to each client
- We do not pay up front commissions, instead it is paid on a prorated basis

Revenue-based compensation structures are disclosed to clients in our COIB as well as in the Wealth Planner Acknowledgement Disclosure provided at account opening. In this way we ensure clients are aware of the nature of our compensation structures. Above all else, each decision made on behalf of a client must put the client's interests ahead of our own. Should an employee fail to do so, they will be deemed to have violated this Conflicts Policy.

Management Compensation

No member of management may receive any direct commission-based compensation. Members of management and senior officers are paid a salary.

Personal Trading

Employees with access to Confidential Information should be aware of trading activities that can create conflicts of interest. Optimize has adopted a policy (section 6.8) intended to restrict and monitor all personal trading by registered employees in order to prevent, detect and mitigate conflicts between such personal trading and the interests of the Funds and the Accounts.

Personal Entertainment and Gifts

Optimize has a Gifts and Entertainment Policy (section 6.4) in place that is intended to deter providers of gifts and entertainment from seeking special favours from our employees/registered persons that may create an “obligation” and/or give the appearance of a conflict of interest.

Referrals

Any referral agreement between Optimize and an outside party must be approved by the CCO. Any client that has been referred to Optimize by an outside party must receive the appropriate disclosure in writing as set out by Compliance. Any referral where a client is either referred to the firm or by the firm must only be guided by the interests of the client - the firm shall only approve referral where this can be demonstrated.

Outside Activities

Some Outside Activities can create a conflict of interest. These issues are outlined in the Outside Activity Policy in 6.3.

Outside Activities

NI31-103 Part 13, OSC Rule 13-502, CSA Staff Notice 31-326
NI 33-109 and Forms, CP33-109

Introduction

“Outside activity” means any activity or duty performed other than as an Optimize employee, whether such outside activity is regular or part-time, permanent, or temporary, paid or volunteer. Certain exceptions apply with respect to outside activities which are not paid where there is no conflict of interest.

Policy

Activities that could cause a material conflict of interest or impact your reputation or that of Optimize are not authorized. A material conflict of interest may exist for an outside activity regardless of whether it is paid or unpaid. Further, OAs will not be approved where available controls are not sufficient to address the conflict or potential conflict in the best interest of clients. All employees must report their Outside Activities (“OA”) to Compliance, the process for disclosure is outlined in [Appendix “A”](#). This policy also addresses the additional responsibilities of PMs and APMs and the requirement to disclose certain OA to our regulators through the National Registration Database (NRD).

The Regulation

Effective June 2022, there are 5 categories for reportable OAs which apply to all employees who are registered with a securities commission (Form 33-109F4 and F6):

Category 1 – Activities with another registered firm- This category applies to you if you are a director, officer, employee, contractor, consultant, agent, or another service provider of a registered firm other than Optimize or if you are a major shareholder or partner at the other registered firm.

Category 2 – Activities with an entity that receives compensation from a registered firm-This category applies if you are a director, officer, employee, contractor, consultant, or agent of a specified entity or are in or have an equity position, are a shareholder or partner for a specified entity.

Category 3 – Other Securities-related activities-This category applies if:

- You are engaged in any securities-related activity, whether or not you receive compensation
- If you were involved in raising money for an entity by issuing securities/derivatives or promoting the sale of an entity's securities/derivatives outside of Optimize in the last 7 years
- If you were a director or officer of a reporting issuer/entity in the last 7 years and involved raising money

NOTE: If the entity does not issue securities/derivatives, like a charity or fundraising organization, these activities are not reportable

Category 4 - Provision of financial or finance-related services-This category applies whether you are compensated or not and includes:

- Any volunteer activity involving securities or financial services
- If you own or participate in the management of an entity that provides securities or financial services
- If you are a major shareholder who directly/indirectly owns voting securities carrying 10% or more votes carried by all outstanding voting securities
- If you:
 - Sell or negotiate insurance (includes Insurance brokers or agents)
 - Provide loan or deposit or other banking products and services
 - Operate a money service business that exchanges or transfers money, issues or redeems money orders, travellers cheques or any currency or financial instrument
 - Facilitate or administer mortgages (includes brokers, agents, administrators)

- Prepare tax returns or provide tax advice
- Provide financial or estate planning advice or create programs that allow people to meet long-term financial goals
- Provide corporate finance services
- Advise people under financial stress (credit/debt restructuring)
- Act as a pension consultant
- Provide advice on mergers and/or acquisitions
- Accounting or bookkeeping services
- Provide oversight or conduct independent reviews or provide your expert opinion about an entity's financial assets
- Lend money or accept deposits (including alternative financing and nonbanking financial institutions)
- Any other financial or finance-related services not listed above

Category 5 – Positions of Influence-This category applies when you are in a position of influence.

You should disclose if you are in a position of influence. Optimize will conduct an assessment and document the findings of the assessment determining if the requirements do not apply. Each position will be reviewed on a case-by-case basis, there are non-exhaustive factors to consider when determining if a registered employee is in a position of influence including:

- The function, prestige or scope of the role
- If there is specialized knowledge or training required
- The degree to which a reasonable person may be confused about the role and the capacity of the individual conducting it
- The degree of susceptibility (expertise or trustworthiness associated with the function or role)

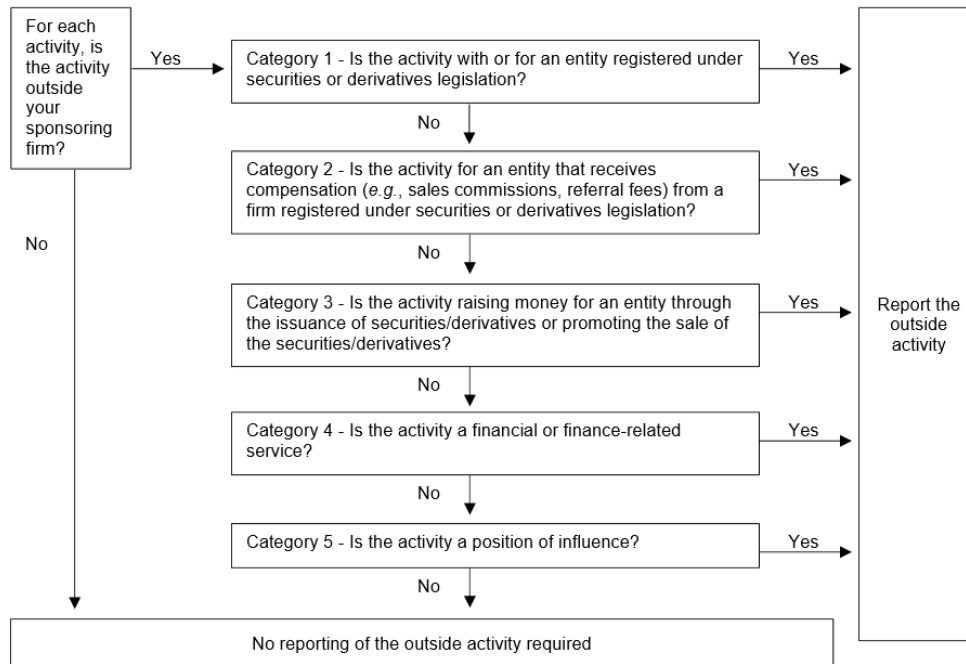
Examples of positions of influence include:

- Faith leaders or religious authority figures who may have a congregation (rabbis, pastors, imam, cantor, deacons and priests)
- Primary care physicians
- Caregivers in an assisted living residence
- Correctional officer in the Justice System
- Youth mentor
- Social worker who serves the vulnerable
- Immigrant consultant
- A prominent elected official depending on the scope of their ability to make unilateral decisions
- A professor for a professional degree or program

The examples listed above will require an analysis based on the degree of influence they have over others. For example, not all people engaged in a congregation are in a position of influence, and some health workers (dentists, optometrists, technical workers at medical facilities, medical technicians or health care coordinators) may not hold a position of influence.

If you are in a position of influence, you cannot trade or advise in securities to anyone who is subject to that influence.

The flow chart below details reporting requirement:



Integrity Considerations

Outside activities can reflect on your integrity as an employee, a PM or APM, the reputation of Optimize or create a conflict of interest. The Ethics Program, CFA Charter Code of Conduct and securities regulators address integrity issues. It is important to remember that you must ensure that decisions made in connection with any outside activity does not impact or influence your employment duties or responsibilities or be or appear to be a conflict of interest.

Time to Report Your Outside Activity

In addition to pre-clearance, the regulators require you report most changes in 15-30 days. If you're not sure of the deadline to report a change, contact Compliance.

An outside activity that no longer needs to be reported requires an end-date and the reasons (the activity is no longer required to be reported). If there is no end date reported, the regulators will assume the activity is reportable.

Outside Activities

Requires Pre-Approval

All employees are required to report the activities listed below. It does not matter if you received compensation, or if the activity is a volunteer opportunity or business, or if it is required in Categories 1-5 in NRD:

- Having a second job of any kind or engaging in any other business
- Acting as a director, consultant or officer of an unregistered firm or a private company, including family businesses
- Paid or unpaid positions with charitable, political or religious organization
- Volunteer activities that require less than 40 hours per month (if the time commitment is greater than 40 hours per month it will not be approved)
- Ownership in holding companies
- Writing, broadcasting, speaking or teaching activities

- Condo board membership
- Positions where PMs handle investments, books and records or monies of the organization (acting as an accountant, providing investment advice for accounts not held at the firm)
- If you or anyone living inside the same household wish to have any investment in any other organization engaged in securities, financial or kindred business (including investment companies, investment trusts, management companies, banks, mutual funds, insurance companies, investment advisors, investment limited partnerships, blind trusts, etc.)

Prohibited Activities

Certain OAs are prohibited by law or policy. The following activities are not permitted by Optimize, the CFA Charter Code of Conduct or Securities regulation:

- Any activities that are competitive to Optimize
- Using the position of Officer or employee or information acquired during employment in a manner that may create a conflict or the appearance of a conflict between personal interests and those of the firm or its clients
- Acting as a director or officer of another registered firm or a reporting issuer
- Acting on your own behalf in any investment banking matter, or as a “consultant” or “finder”
- Form, participate in or lead a “Stockholders’ Committee” to represent stockholders in making demands for changes in management or company policies, or be involved in a proxy contest
- Receiving any compensation of any nature, directly or indirectly, from any person, firm, corporation or association, other than Optimize as a fee, commission, bonus, gratuity, or other consideration such as stock, options, etc. in connection with any public securities or commodities transaction. Business-related meals, entertainment, gifts or favors may be accepted when the value involved is not significant and clearly will not create an obligation to the donor. Gifts must not be solicited; gifts must not be cash or similar items (cheques, money orders, gift certificates); gifts must also not be given by employees in return for doing business with a customer
- Accepting or acting for paid or unpaid roles with charitable, social or religious organizations where the individual is in a position of power or influence and where the activity places the PM in contact with clients or potential clients
- Borrowing or lending funds/property to any of our clients or prospective clients. Officers or employees are not allowed to personally purchase and or sell assets to or from clients
- Acting as a client’s beneficiary in a will or trust, or be appointed as a trustee, or executor or power of attorney by a customer or a prospective customer (exception for close relatives) unless approved by the CCO

Pre-Approval of Activity & Firm Monitoring

Before you accept or engage in an outside activity, whether you are a registered person or not, you must secure written **pre-approval**.

If you are...	Pre-approval needed from...	Complete...
Registered Employee	Your supervisor; AND Compliance@Optimize.ca	<u>Outside Activity Form</u>
All other employees	Your supervisor, AND Compliance@Optimize.ca	Answer the following questions: <ul style="list-style-type: none"> • The nature of the outside activity • The amount of time it will require • A summary outline of the impact this activity will have on their employment • Proof your direct supervisor is aware of the OA

Optimize is responsible under securities regulation for monitoring and supervising its employees, including the OAs that employees participate in. Compliance will monitor, track and conduct follow-up review of all outside activities of registered employees and other employees, particularly for those employees where their outside activity requires certain terms and conditions.

Gifts and Entertainment Policy

NI31-103 and CP31-103
CFA Code of Conduct

Introduction

Optimize has adopted the following guidelines limiting the acceptance of gifts, entertainment, compensation, or gratuities from external sources that may compromise our independence or objectivity when dealing with clients, vendors, or our colleagues. While it is recognized that conducting business involves some modest exchange of gifts and business-related entertainment, the value must not create a real or perceived conflict of interest and should not call into question the independence or objectivity of the recipient. Employees can neither receive or give gifts and entertainment if they are considered to be frequent, excessive, or extravagant.

This guidance is not meant to stop normal business practices, such as lunch meeting, accepting corporate promotional items at conferences, and giving or accepting token gifts, as long as they are of reasonable value and support a legitimate business interest. However, gifts should never affect – or appear to affect – impartial business decision making, nor be offered or received in exchange for preferential treatment in any business dealing.

All employees are expected to exercise reasonable judgement when receiving gratuities, gifts or bonuses that could be viewed as impairing independence or objectivity and/or is above the pre-determined per-item threshold (see chart below for guideline). Employees are required to immediately advise the CCO of any such instances, who will determine if the gift poses a potential conflict of interest. If the gift does present a conflict of interest, it will be returned, otherwise it may be kept. The CCO may also consult with senior management to determine if any action is required, to address the potential conflict of interest. Gifts and entertainment are not to be used in any way to circumvent the requirements of any applicable laws, and especially with respect to referral arrangements set out in National Instrument 31-103, Part 13, Div. 3 – Registration Requirements and Exemptions, Referral arrangements.

Gifts

Optimize does not permit PMs, APMs or employees and members of their immediate families to directly or indirectly accept or receive bonuses, fees, commissions, gifts, excessive entertainment, or any other similar form of consideration, from any person, business, or association with which we conduct or seek to conduct business. Gifts may be accepted only within the guidelines set out below:

- It is not requested or solicited.
- It is not offered in exchange for performing a favour or service that you wouldn't otherwise perform
- It is of modest value (would not be viewed as impairing judgement)
- It is infrequent
- It is not cash or cash equivalents
- It is not likely to influence your business judgement
- It is not intended to create an obligation on your part
- It is not a kickback, or commission or bribe

Any gifts that you want to give to your clients or business associates are subject to a similar standard.

Gifts that do not follow these guidelines are to be returned to the sender with a letter of explanation. If it's impractical or discourteous to return a gift, then it should be donated to charity or shared with employees. If you are offered a gift that does not follow these guidelines or if any client offers gifts to you on a frequent basis (regardless of value), the gift must be disclosed to your supervisor the CCO or senior management, even if you do not accept it.

Entertainment

Entertainment includes meals or events that you attend with a client or vendor. You may accept or provide business entertainment and meals that are reasonable in the context. Entertainment must occur at suitable, respectable venues. You can accept entertainment involving travel or lodging provided you have received the prior approval by the CEO, CCO or Executive VP Corporate Development.

Optimize may purchase tickets to certain sporting and entertainment events in order to share with employees and clients. If the client or vendor will not be attending the event with you, then tickets to the event are subject to the following restrictions: You may give or receive (on an infrequent basis) tickets to a local event provided that the gift is not intended to, and is unlikely to, improperly influence the recipient's business judgement. Tickets to extravagant events may not be given or received without prior approval of the CEO, CCO or Executive VP Corporate Development.

Limits

Below is the general guideline. If you are seeking an exception to the Gifts and Entertainment Policy, it will require approval of the CEO, CCO or Executive VP Corporate Development. Please note we may corporately purchase gifts and entertainment such as hockey tickets or client forum events, which do not form part of this Policy.

From an employee of Optimize to another (for example between a Wealth Planner and PM) where the gift would be viewed as impairing judgement.

- As a thank you for a service or going above and beyond
- As a thank you for a client/business referral

Between Optimize and referring agents, potential clients and our clients, see table below, where the gift would be viewed as impairing judgement.

- To say thank you to a client
- To recognize client milestones
- As a thank you for a client/business referral

Approval Required	
Below \$250	Non prior
Between \$250 - \$400	Direct supervisor
Above \$400	CEO, CCO or Executive VP Corporate Development

Entertainment involving travel or lodging needs preapproval from both your Supervisor and the CCO. The CCO will conduct an analysis which will consider the following non-exhaustive list:

- The length of time and AUM of the client
- The value of the travel or lodging in question
- The purpose of the offer for travel or lodging
- If this offer extends to others inside/outside our organization.

The approval or not to approve will be provided to you in writing.

Whistleblower Policy

OSC Policy 15-601

Introduction

OSC Policy 15-601, the *Whistleblower Program* (“Program”) came into force on July 14, 2016 which provides guidance for individuals to report serious misconduct in the securities or related industry. The Program was established in keeping with the principle that effective and responsive securities regulation requires timely, open and efficient administration and enforcement of the Securities Act, RSO 1990, c S5 (the “Act”). The ultimate goal is to prevent or limit harm to investors from unfair, improper or fraudulent practices in the capital markets.

In keeping with the spirit of the OSC Program, we have implemented our own Whistleblower Policy. This policy provides guidance to enable employees to confidentially and anonymously report misconduct in the workplace, be it securities or otherwise related. Employees have the ability to express concerns, complaints or report conduct which results in a violation of a law, policy, regulation, rights or a standard without fear of a consequence or retaliation.

Appointments of Officers

Appointment of those responsible for reporting under the Whistleblower Policy:

Internally: Loretta Carbonelli, CCO (loretta.carbonelli@optimize.ca), Matthew McGrath, UDP (matthew.j.mcgrath@optimize.ca)

HR matters: Sandy Benjamin, CPO (sandy.benjamin@optimize.ca)

Regulatory: OSC at <https://portal.osc.ca/efilings/legacy/whistleblower>

Definitions

Securities or derivatives related misconduct means a of breach of securities law or regulation, whether or not a client or investor has suffered a loss. Examples include (this list is not exhaustive) frontrunning client orders, trading on insider information, financial benchmark manipulation, providing misleading information to clients or any activity designed to commit fraud in the securities market.

Financial or accounting misconduct means manipulation or falsifying of accounting, auditing, internal controls or other financial records with the intent to provide misleading or false information to the regulators or the CRA. This includes the omission or altering of information to create a false record.

Optimize’s Policies, Procedures or Guidelines means the Optimize Compliance Framework, Governance Policy, the Ethics Program, the Regulatory Policies and Procedures Manual and any other Guides or Best Practices issued from time to time.

HR matters means any form of harassment, bullying or disrespectful conduct. Abusive behaviours such as inappropriate language or unwanted physical contact is not tolerated at Optimize. Examples include: • Yelling at others or the use of profanity/swearing directed at an individual • Rudeness, personal insults, name-calling or degrading comments • Offensive language or jokes • Displays of offensive materials • Inappropriate physical contact • Sexual conduct of any kind, including consensual • Malicious rumours • Racial, ethnic, religious or gender-related slurs • Intimidating or threatening behaviour • Public or private humiliation or intimidation • Threatened or actual violence • Unwanted displays of affection or attention.

Policy

Employees who have reason to believe or suspect misconduct, violation or a breach (together “violation”) of the Ethics Program has occurred have an obligation to report it. Optimize maintains an open-door policy to allow employees to share their questions, concerns, suggestions or complaints with the CCO, CPO or UDP so they can address them.

In most cases, an employee should report violations to the appointed Officer of Optimize.

The CCO of Optimize is responsible to immediately notify the UDP of any violation once they become aware.

Protection Against Retaliation

Retaliation against any employee who reports an issue or participates in an investigation is a serious breach of the Optimize Ethics Program. We are unable to effectively deal with possible integrity issues if employees are afraid to report them. Optimize will not tolerate retaliation against an employee who in good faith discloses a violation.

Retaliation comes in many forms. It can be blatant (like being demoted, disciplined or terminated) or it can be less obvious (like being excluded from decisions or work activities that the employee would normally be involved in). Like all other ethical concerns, this type of behaviour should also be reported. If you believe that you or others are the subject of retaliation, you must report it.

Acting in Good Faith

It is a violation of the Ethics Program for employees to knowingly make a false accusation, to lie/interfere with an investigation or regulator. Employees are expected to act honestly, provide information that is accurate and being disclosed in good faith.

Any allegations that prove not to be substantiated, have been made maliciously or with knowledge that they were false will be viewed as a serious disciplinary offence, which could result in consequences including termination.

Investigations of Complaints

Optimize will investigate reports of violations of the Ethics Program, regulations or the law promptly. We will appoint an appropriate Officer (usually the CCO) to either lead the investigation and/or bring in external resources to aid in the investigation. The CCO is responsible to report violations to regulators or other agencies as appropriate.

Employees are expected to cooperate fully in investigations by providing full, accurate, timely and truthful information.

Confidentiality

Confidentiality is extremely important when investigating concerns. All information will be kept confidential, except as required in order to conduct a full and fair investigation. The nature of the complaint and the identity of individuals involved will only be disclosed on a strictly need-to-know basis to allow for a thorough investigation, to respond appropriately and resolve the situation. Optimize may also be required to disclose certain information externally and will do so responsibly.

Handling of Reported Violations

Receipt of reports or complaints of violations (if not done anonymously) will be acknowledged within 30 days, by the Officer appointed to the investigation. If an outside party has been engaged to help with the investigation, that fact will also be disclosed to the appropriate parties. Only those individuals directly involved with the report will be notified and only to the extent they need to be.

Internal investigations reports will be promptly investigated, and corrective action will be taken as warranted. Records of the investigation process, interviews, evidence or other relevant documents will be retained on a confidential basis. The CCO is responsible for ensuring the records are securely stored and retained for a minimum of seven years.

Amendments

The CCO is responsible to modify the Whistleblower Policy to ensure compliance with federal, provincial or local regulations and/or to accommodate organizational changes within Optimize.

Use of Titles Policy

NI 31-103 section 13.18(2)(b) and CP Sections 11.5,13.18

Policy

Employees of Optimize may only use titles that have been approved by Management. Titles used by Employees cannot give the impression that the Employee is a registered individual unless the Employee has received approval from the Principal Regulator to act as a registered individual.

The term “use” includes publication on business cards, the firm's website, email signature blocks, LinkedIn biographical listings and any other medium for the "holding out" of a title.

Use of Corporate Titles

Only individuals that have been appointed to act as officers of Optimize are authorized to use a corporate officer title. Registered individuals are not authorized to use any corporate officer title such as Vice-President, Director, etc. unless they have been appointed to that corporate office pursuant to applicable corporate law.

The chart below summarized the corporate titles and roles permitted:

Title	Description of Role
C-Suite (CEO, CCO, CIO, CFO, COO or CPO)	Must be appointed by board, and in certain circumstances may require registration
Titles containing the term Vice-President	Must be appointed by Management and approved by the board, and in certain circumstances may require registration
Titles containing the terms “Head” or “Manager”	Must be appointed by an Officer and approved by Management, and certain circumstances may require registration
Titles containing the term “Senior”	Any individual duly appointed who has at least 5 years of experience in that role

Use of Titles for Registered Individuals

Candidates for registration cannot use their intended registered title until they have been notified by their Manager that their registration is approved and a new title is in effect. Compliance will provide notice to the Employee and their Manager once registration is obtained. Managers are responsible for announcing title changes for all Employees.

The chart below summarized the registered titles and roles permitted:

Title	Descript of Role
Portfolio Manager	Must be an Employee of Optimize and has received approval to act as an Advising Representative
Associate Portfolio Manager	Must be an Employee of Optimize and has received approval to act as an Associate Advising Representative
Titles containing the term “Senior”	Any individual duly appointed who has at least 5 years of experience in that role

Use of titles for Non-Registered Individuals

Non-Registered individuals must not use a title associated with any registration category. Non-Registered Employees will require compliance approval prior to using a title associated with their role.

The chart below summarized the titles and roles permitted:

Title	Description
Wealth Planners	Must have an executed agreement with Optimize and meet the requirements below for credential
All other Titles	Must be an employee of Optimize and has received approval from Compliance, direct Manager or Management to use title
Titles containing the term “Senior”	Any individual duly appointed who has at least 5 years of experience in that role

Use of Professional Designations

Professional designations can only be used if they are approved by Compliance and there is a rigorous curriculum and examination process, experience requirements and are issued by a reputable organization. Compliance is responsible for maintaining a list of approved designations.

Employees are allowed to use up to 5 designations on their title, which must be relevant to the employee’s role.

The Chart below summarized designations and credentials permitted:

Description	
University Designation or Accredited Institution	May be used if relevant to your role
Credentials available upon completion of the CSI or CFA	May be used, employee to provide an official transcript to evidence completion
Courses required for Financial Planning	(i) Certified Financial Planner (CFP) (ii) Qualified Associate Financial Planner (QAFP) (iii) Chartered Life Underwriter (CLU) (iv) The Personal Financial Planner (PFP) (v) Registered Retirement Consultant (RRC)

Approval

When a new title or a change to an existing title is proposed, the change must be submitted to Compliance who will work with the appropriate individuals to obtain approval prior to use. Once it is approved, Compliance will send out a notice to affected individuals.

Monitoring & Reporting

Compliance is responsible for maintaining a list of approved titles and the names of the employees using each such title.

Compliance will review title and designation usage by reviewing business cards, letterhead, email signatures and/or bios on websites, including social media platforms. If any employee is using a title or designation that is different than their approved title and/or designation, Compliance will request they cease this practice. If the practice continues, Compliance will report this non-compliance issue to Senior Management.

Communication and Social Media Policy

Ontario Securities Act RSO 1990
NP11-201 Delivery of Documents by Electronic Means
NI31-103, Section 11.1, Part 13 and 14

CFA Charter of Ethics
CSA Staff Notice 31-325 Marketing Practice of Portfolio
Managers

Introduction

Canadian regulations require that communications, which includes but is not limited to, business e-mail addresses, media, social media accounts and websites, adhere to regulatory requirements related to advertising and marketing, statements, claims, or any other communication with clients or the public. This policy sets out Optimize's use of social media, conducting electronic business, and email communications as well as the conduct expected of representatives when using social media and business email accounts.

All representatives are expected to use a high level of professionalism when communicating with our clients, colleagues, prospects, service providers and the public.

ALL BUSINESS COMMUNICATIONS, WHETHER THROUGH E-MAIL, SOCIAL MEDIA SITES OR ANY OTHER MEDIA MUST BE PREAPPROVED. NO EXCEPTIONS. NO PERSONAL COMMUNICATIONS MAY REFERENCE OPTIMIZE, ITS PRODUCTS AND SERVICES, YOUR WORK, YOUR POSITION, OR YOUR OPINIONS AS THEY RELATE TO ANY OF THE ABOVE WITHOUT PRIOR APPROVAL.

Definitions

Advertising means television or radio commercials or commentaries, newspaper and magazine advertisements or commentaries, and any published materials including materials disseminated or made available by mail, fax or electronically promoting the business of Optimize.

Canadian Anti-Spam Legislation ("CASL") prohibits the sending of a "commercial electronic message" unless: (1) the sender has obtained consent from the recipient of the message (referred to as the "consent requirement"); and (2) the message contains certain information about the sender and an unsubscribe mechanism (referred to as the "content requirement"). Commercial activity means any particular transaction, act, or conduct or regular course of conduct that is of a commercial nature, whether or not the person who carries it out does so expecting profit. The content of the message, hyperlinks, or the contact information contained in the message are factors to be considered in determining whether a message is a commercial electronic message.

Client Consent client account documentation is used to obtain each client's consent to the collection, use and disclosure of their personal information in accordance with the privacy policy of Optimize. Each client has the right to deny this permission, or to rescind this permission at any time. The responses are collected within our CRM tool.

Correspondence means any written or electronic business-related communication prepared for delivery to a single existing client and not for dissemination to multiple clients or to the general public.

Electronic Commerce Legislation means the federal, provincial or territorial statute of Canada concerning the regulation of electronic commerce, and the regulations, rules, forms and schedules under those statutes, as amended from time to time.

Electronic Communication means any type of communication direct to the public or clients and disseminated via electronic means including social media and websites. This could include business related communication with clients or the public using of technology whether from Optimize or an employee's own personal device. Included in this definition: marketing brochures, commentaries, general market updates, corporate events and communications related to the Optimize and the Pooled Funds (this list is not exhaustive).

National Do Not Call Lists ("DNCL") refers to a list of individuals who have registered their e-mail addresses or telephone or fax numbers not to receive any unsolicited electronic commercial messages. Any person who is registered on the list shall not be contacted for any purpose unless an exemption applies to them. When working with referrals, consent must be obtained prior to sending any marketing material to the prospect.

Sales Literature means any written or electronic communication, other than advertising and correspondence, distributed or made available to more than one client, including any recommendations to a public security or trading strategy. Sales literature includes records, videos or similar material, market letters, research reports, circulars, promotional material, telemarketing scripts and reprints or excerpts from other sales literature or published material.

Policy

The following policy has been established to govern the use of electronic communication and Social Media for Optimize and its representatives. This is to ensure we adhere to the regulatory requirements, that representatives observe a high standard of conduct and that all communication disseminated to the public is consistent with the Optimize brand.

As electronic communication, social media and platforms are constantly evolving, the principles of this policy will be extended to any future platforms that are not yet addressed. The firm and its representatives are responsible for the content that comes from any social media account or business e-mail address registered in their name.

Mail Correspondence

Incoming Correspondence

All incoming correspondence, including fax, e-mail and correspondence marked Personal and Confidential, addressed to a Optimize Office, may be opened and reviewed, prior to distribution to representatives, by Compliance or a designated qualified individual. Correspondence that identifies concerns or problems will be forwarded to Compliance for review. Correspondence of a personal nature (e.g.: credit card statements) should not be directed to Optimize if the representative does not wish to have their personal mail opened and reviewed.

Outgoing Correspondence

All correspondence (letters, faxes, e-mails) must be presented in a form consistent with Optimize brand standards.

Electronic Communication

Representatives are required to maintain the highest professional standards when communicating with their clients and the public. Highest professional standards are those intangibles based on public perception; how the public will react to the communication. Compliance's review of representative electronic communication uses the same criteria as for corporate communications.

It is expected that you will use good judgement when sending emails outside of the firm and will adhere to the standards of conduct for social media & email communications. Business communication must be sent from an Optimize email address; personal email accounts cannot be used for business communication.

E-mail messages must be clear, concise and professional in tone. You must be aware of the limitations and vulnerabilities of e-mail and exercise appropriate caution:

- Unencrypted electronic mail sent via the Internet is not secure. Be mindful when disclosing any personal information (e.g., home addresses, phone numbers, social insurance numbers and financial information) regarding a client, employee or yourself in any electronic communication;
- Electronic mail messages intended for a specific individual can be forwarded and distributed to others (and edited) without your knowledge.

All email accounts are the property of Optimize and are subject to monitoring by compliance on a regular basis for conformity with sales communication regulations and as part of its supervision and oversight program. Regulators and litigants may also obtain electronic messages when conducting investigations and discovery proceedings. The following are expressly prohibited during and after business hours:

- Using the Internet for personal gain
- Transmitting, posting, copying or downloading any material in violation of copyright law
- Transmitting or posting any statements or data that may defame, embarrass, threaten, offend, or harm Optimize employees, clients or the public
- Attempting to “hack” or break into any computer, database or network
- Transmitting or posting material, non-public corporate information about Optimize, other companies, or clients to any organization or individual not authorized to receive or possess it
- Representing yourself as someone else
- Distributing or forwarding chain letters
- Willfully propagating computer viruses or other disruptive/destructive programs
- Transmitting sexually explicit or obscene images or messages
- Transmitting racial, ethnic or other slurs, or anything that could be construed as harassing or intended to harm or insult others
- Soliciting others for non-work related activities
- Transmitting anything that is illegal, unethical or inconsistent with the Company’s policies and ethics
- Using unapproved third-party communication applications including text messages to communicate with clients or prospects. If a client communicates via a text message, you are required to respond from your official Optimize email account.

The consequences of these and other actions can be serious. Optimize may revoke internet access or take other disciplinary action - including immediate dismissal and referral to the appropriate regulatory and criminal authorities.

Representatives must maintain professionalism in all forms of communications, representing the high standards expected. Use the following as guidelines for effective communication via e-mail:

- Keep messages brief and to the point;
- Title your message and use key words that help the reader identify the message content;
- Spell out words in full (do not assume everyone is familiar with abbreviations and acronyms);
- Always check your spelling and grammar.

We use a standard disclaimer on all E-mails, which outlines the disclaimers to use for registered or non-registered representatives. The appropriate disclaimer is assigned to E-mail accounts at the server level.

Compliance monitors representatives e-mail messages:

- as required by regulations, and to ensure compliance with applicable rules, policies and procedures;
- for sales communications; and
- employee supervision.

Compliance may make inquiries in relation to any communication sent or received through work email address. Emails containing activities or information deemed non-compliant shall be escalated and remediated as appropriate.

Important: Communication of e-mail messages that are outside of routine business practice (e.g., newsletters, fundraising announcements) to clients or external parties must **be pre-approved** by Compliance.

Communicating with Media

Optimize recognizes that media exposure can be very positive. Nevertheless, we are also in a business where discretion and confidentiality are paramount and where regulatory and professional obligations strongly influence what may be said. While media exposure is generally encouraged the following rules apply:

- Only the UDP may issue or provide consent to issue press releases;
- Media interviews must be approved in advance by the CCO or UDP;

- All questions that relate to firm issues, firm financials, representatives or directors, legal issues, corporate matters, etc. should be referred to and answered only by the UDP, or by an individual designated by the UDP for a specific issue; and
- All issues relating to Optimize Funds or the investment markets must only be answered by the Chief Investment Officer (“CIO”).

Articles written for magazines or other forms of media are encouraged but must be submitted to Compliance to ensure appropriate wording where applicable and if deemed sales or marketing material, approved in accordance with this policy.

Social Networking: LinkedIn, Twitter, Facebook, blogs, etc.

Optimize has established its own official corporate social networking sites. The Marketing Department is responsible for ensuring that the firm’s use of social media complies with the firm’s Sales Communication Policy as well as the Standards of Conduct for Social Media & Email Communications as set out by the regulators, and CFA Code of Conduct.

It is also permissible for representatives to use social media accounts providing that it is reported and approved by Compliance in writing. This is done at onboarding, as it arises and annually. Representatives are reminded that by adding Optimize to their social media accounts they are associating themselves with the firm. It is important to protect our brand and reputation by behaving in an ethical manner that reflects our values. Representatives must accurately reflect their roles through their official titles on LinkedIn, Twitter, or other social media platforms. It is expected that once you are no longer employed, you remove any association with Optimize from their social media accounts.

All material posted on official sites are to be reviewed and approved prior to posting by compliance. The same holds true for representatives wanting to post Optimize or wealth related material to their personal social media sites.

For marketing purposes, the following will be reviewed:

- Target audience vs the value proposition
- Content for consistency to client experience model and marketing
- Adherence to branding standards
- Managing responses from/to the various departments involved in the creation of the material
- Obtaining and maintaining proof of compliance approving prior to dissemination
- Posting the approved content to the various sites
- Distributing the approved content to employees for further dissemination i.e. to post on personal social media

Compliance is responsible to review for the following:

- Are there any conflicts of interest in the content
- Is the content within the regulatory guidelines (NI 31-103 for client material)
- For clarity of information to ensure the content does not misrepresent or mislead the reader
- There is no dissemination of confidential information
- There are the appropriate disclaimers present

Use of Titles, Academic Credentials, Designations and Trade Names

Only those titles approved as set out in the Use of Titles Policy (section 6.6) may be used on advertising, correspondence and sales literature including business cards, any reference to professional, academic or other designations as well as any other proficiencies. PMs and APMs are required to use business titles that comply with the regulatory requirements. Only those Trade Names registered by Optimize may be used by representatives, personal Trade Names are not permitted.

Website

A website is a form of electronic advertising. Any links to other entity's websites could be considered advertising if it promotes any services or products. The Optimize website and any authorized websites linked to it must display all required approved disclosures and disclaimers. All proposed changes to the website must receive prior approval from Compliance.

External Website

Optimize has established a Third-Party Website Policy in order to mitigate any client confusion that arise from issues such as those related to timeliness, inconsistency, misleading information or maintenance shortcomings. All employees, but especially client facing employees (PM and WP) are required to maintain a high level of integrity, compliance and accuracy of information available to clients as it relates to their investments and financial wellbeing.

Restrictions on Third-Party Website Usage

Optimize has determined that it is in the best interest of both clients and prospective clients to prevent the marketing of materials and usage of any Third-Party Websites to clients or prospective clients.

There are several key risk factors that arise from Third-Party website usage:

- Ensuring that information is accurate and consistent across various platforms can be difficult to enforce and maintain. Any updates or changes to data needs to be accurately updated across platforms.
- Timeliness of information (or lack of) in financial markets ensures informed decision-making, enabling clients to properly assess their situation. Any delays in updating data on a Third-Party Website could lead to a client being disadvantaged.
- Adhering to regulatory guidelines and maintaining a culture of compliance is of the utmost importance to Optimize. Having one consistently maintained and updated platform as their source of information ensures that all applicable regulatory guidelines are followed, and that Clients are protected.
- Ensuring that the Optimize brand identity, messaging, and tone remain consistent is vital to avoid Client confusion and is not practical to maintain across Third-Party websites.

Standards of Conduct for Social Media, Email and Sales Communications

All social media, email and sales communications must adhere to the following requirements:

- Statements made may only reflect honestly held beliefs, opinions, or experiences.
- May not contain any opinion or forecast of future events that is not clearly labeled as such.
- May not contain an untrue statement or omission of a material fact.
- Fairly present potential risks to the client.
- Any claims made must be supportable by adequate proof.
- May not make comments or post content that in any way promotes unsafe activities that could lead to an unsafe situation.
- May not use discriminatory slurs, personal insults, obscenity, or other offensive language.
- No claims may be made that are deceptive or misleading about the firm's products or services, or its competitors' products or services, to clients or prospective clients.
- May not be detrimental to the interests of clients, the public, the firm, or the industry.
- May not use unrepresentative statistics to suggest unwarranted or exaggerated conclusions or fail to identify the material assumptions made in arriving at the conclusions.
- May not contain an unjustified promise of specific results.
- Must not make offensive comments that have the purpose or effect of creating an intimidating or hostile environment, including telling lies or spreading rumors about the firm, its employees, officers, directors, shareholders or competitors.

- No communication may be defamatory or infringe upon the intellectual property, or privacy and publicity rights of others.
- Using advertising or sales communications that have not been approved by Compliance.
- Optimize trademarks, logos or other proprietary materials may only be used with explicit written permission from the CCO.
- When posting personal opinions or comments, employees and contractors must disclose that their view does not necessarily represent that of the firm.
- All sales communication that involves the funds must contain appropriate disclaimers as regulatory disclaimers differ depending on the type of fund being marketed and whether performance data is quoted.
- Sales communications must clearly identify the periods for which performance data is calculated and performance data must reflect and include all elements of return.
- Sales communications that compare performance of a fund with performance of any benchmark or investment must include:
 - all pertinent contextual information to ensure that the comparison is presented in a true light, explained fairly, and not misleading to the reader
 - data for each subject of the comparison must be for the same period
 - a widely recognized benchmark in existence during the period for which the comparison is made
- Sales communications for funds must not compare the performance of the promoted funds with any benchmark or other investment unless:
 - the fund's performance is compared to an index
 - the funds are being compared to one or more funds that have fundamentally similar investment objectives
- Content posted to Optimize's social media sites may also be available on its main website. Where possible, content posted to social media sites should contain links directing users back to the main website for more in-depth disclosure.
- As is the case for Optimize's web site, personnel will be responsible for the content and upkeep of any social media sites they create.
- All social media sites shall comply with all appropriate Optimize policies and procedures.
- Optimize social media sites are subject to securities laws in respect of marketing materials for registrants. Content related to Optimize business shall be maintained in an accessible format so that it can be produced in response to a request by regulators, clients, investors, etc.
- Record retention schedules apply to social media formats and social media content. Employees maintaining a site shall preserve records required to be maintained pursuant to a relevant records retention schedule for the required retention period.
- Users and visitors to social media sites shall be notified that the intended purpose of the site is to serve as a mechanism for communication between Optimize and members of the public.
- Any social media postings must be pre-approved by Compliance. Compliance will retain records of all the approved content. Any content removed must be retained, including the time, date and identity of the poster when available.
- All new social media tools proposed are to be approved by the CCO.
- Administration of the social media sites:
 - Employees responsible for managing the social media sites will inform the Compliance of any new social media sites or administrative changes to existing sites.
 - Compliance will maintain a list of all social media sites, including login and password information. Compliance is able to immediately edit or remove content from social media sites.

Compliance Approval Monitoring & Recordkeeping

Compliance is responsible for ensuring new and all current employees of Optimize are familiar with the Social Media and Electronic Communication Policy, by:

- Meeting with new representatives to provide an overview of the Policy;
- Ensuring new representatives disclose in writing their current social media accounts;

- Approving use of titles and designations;
- Ensuring that on an annual basis all representatives have certified they have read and understood the policy and have disclosed their social media accounts;
- Monitor and test social media accounts for compliance to the policy and regulations;
- Assess the Policy on an annual basis as part of the CCO annual compliance report to the board;
- Escalate to the UDP any instance of non-compliance of this Policy by representatives;
- Test email correspondence for adherence to the policy including the use of titles and designations and presence of appropriate disclaimer
- Retain records in accordance with our recordkeeping requirements.

Responsibility of Representatives:

- Report to Compliance any social media accounts, including ones initiated during employment that were not previously disclosed
- Ensure further adherence to specific requirements of professional designations i.e. CFA Code of Conduct;
- Annually acknowledge having read and understood the policy and confirm social media accounts
- Only use titles and designations which have been approved
- Seek approval in advance before posting on social media
- Use good judgement and ethics in their electronic dealings with clients and the public.

Approval of Advertising, Correspondence and Sales Literature

All advertising, correspondence and sales literature shall be reviewed and pre-approved by Compliance prior to dissemination. This material may include, but are not limited to:

- Research Reports
- Fund Summary Reports
- Client/Public facing seminars
- Market Letters
- Client Correspondence
- Any material used to solicit clients that contain performance reports or summaries
- Interview or commentaries provided to the media

It is the responsibility of the compliance department to maintain copies of approved material along with evidence of approval for at least 7 years.

Monitoring

Compliance will conduct a random review of the corporate and employee social media sites to ensure compliance with the policy, which will include confirmation of preapproval of content, there are no conflict to policies or regulations and the appropriate disclosures are in place.

There will also be reviews of representative email correspondence for the following items:

- Use of titles and designations
- Testing for disclosures
- Testing to ensure nonregistered employees are not engaging in registered activities
- Testing for dissemination of information contrary to this policy

The CCO will review on a random basis prior marketing materials to ensure all the required approvals were obtained prior to release.

Non-Compliance

Any issues or concerns uncovered during a review or in day-to-day practice will be brought to the attention of the employee by the CCO. Representatives will be given an opportunity to explain or correct the noted concern. If

the issue is such that it impacts Optimize, the CCO will escalate to the UDP for their review and assessment. The CCO will recommend actions to be taken to the UDP which may include the involvement of HR.

Evidence of approvals and reviews will be maintained and retained for a period of 7 years by the compliance department. Should it be determined that any employee has abused or has not followed the above policies and procedures, internal disciplinary action may result.

Document Management Procedure

Optimize provides clients with documents which contains relevant information on the Pooled Funds and the Model Portfolio used in the portfolio management of their accounts. The documents are designed to provide clients with information describing Investment Objectives, Strategy, and current Asset Allocation to help them understand the Optimize Investment Process.

Representatives are provided with documents to aid them with account and portfolio management of client accounts. These documents are used in determining suitability of Model Portfolio selection and to provide information on our pooled fund profiles.

The documents for both clients and representatives contain current and timely information. This requires these documents to be accurate, representative, and up to date to ensure clients and employees are well informed with current information on the investments available at Optimize.

Timely and accurate marketing materials serve an important function by providing up-front information on the investment products detailed within and to avoid regulatory misconduct or misrepresentation. These documents also form part of the information gathering and due diligence by registered individuals (PMs and APMs) to satisfy their KYP requirements.

Inventory of Documents with Portfolio Information

Audience	Document	When distributed
External	CIF/IPS	At onboarding and if a trigger event occurs requiring a new IPS
External	Optimize Private Client Program Brochure	At onboarding
Internal	Model Portfolio and Suitability Guide	During training and when there are changes are made

Definitions

Portfolio Information means any information that is based on the holdings or investments made within an Optimize Fund or within an Optimize Model Portfolio. This includes charts and graphs, technical data, allocations, performance metrics, holdings, etc.

Target Allocation Change means a change in the target allocation of any Optimize Model Portfolio comprising any Optimize Funds as decided upon by the Investment Committee.

Documents with Portfolio Information means internal or external facing documents or brochures that contain Portfolio Information (the “Documents”) and are not specific to a client (i.e. Annual Performance Report). This includes the Optimize Private Client Program Brochure, the CIF/IPS, and the Model Portfolio Suitability Guide.

Procedure

Regular Frequency of Updates

Documents must be reviewed and updated no less frequently than on a quarterly basis (three (3) calendar months since the last regularly scheduled update) unless an ad hoc update overrides. This ensures that the

Portfolio Information contained in these documents is up to date. The schedule for regular updates is provided below.

Ad Hoc Updates

Should the Investment Committee decide to make a Target Allocation Change, the Documents must be reviewed and updated. An Ad Hoc Update does not affect the next regularly scheduled update unless it occurs less than 45 days prior to the next scheduled update. If an ad hoc update is within 45 days of the upcoming regularly scheduled update, then that regular update is not required and will only be completed at the Investment Committee’s discretion.

Responsibility of the Investment Committee

The Investment Committee is responsible for designating a member who will be responsible for implementing the updates to the Documents. Supervision of the update process is assigned to the Investment Committee.

Responsibility of the Individual

The delegated member of the Investment Committee is responsible for the following:

- Ensuring the Regular Update as per Schedule A below is followed;
- Reviewing the Portfolio Information for accuracy;
- Obtaining Compliance pre-approval for the Documents;
- Disseminating the latest updated Documents to be operationalized; and
- Presenting the Updated Documents Report at the following Investment Committee meeting.

Procedure for Supervision

The Investment Committee will confirm that the Documents were updated and operationalized at the Investment Committee meeting following either a regularly scheduled update or Target Allocation Change. They will review the report prepared by the delegated member showing a sample of 5 recently completed client onboarding packages for evidence that the latest version of client facing Documents were provided to newly onboarded clients as well as confirming that the latest version of the Model Portfolio Suitability Guide was distributed to all registered individuals.

Update Schedule for Documents with Portfolio Information

Quarter	Individual Responsible	Deadline for Operationalization
Q1	Vice President, Fund Operations	Third Friday of April
Q2	Vice President, Fund Operations	Third Friday of July
Q3	Vice President, Fund Operations	Third Friday of October
Q4	Vice President, Fund Operations	Third Friday of January

Canadian Anti-Spam Legislation (CASL)

Canada’s Anti Spam Legislation (“CASL”) applies to all electronic communications sent with a commercial purpose (referred to as “commercial electronic messages” or “CEM”) from Canada or accessed in Canada. On July 1, 2014, the provisions in CASL relating to the sending of CEMs came into effect. A message is regarded as being “commercial” in nature if its purpose or one of its purposes is the encouragement of participation in a commercial activity. As a result, many common activities such as sending emails or newsletters to clients likely fall under this legislation.

Under CASL, employees will need to ensure that the following elements exist before they send a CEM to current, former or prospective clients unless the CEM falls into an exemption:

- Consent from the client has been obtained prior to sending the CEM.
- Identification of Optimize as the sender, and our contact information (i.e. mailing address and one of the following: (a) telephone number; (b) email address; or (c) web address).
- Unsubscribe Mechanism. For example, including in the email: “you may unsubscribe from receiving e communications from us at any time by replying to this email, with the subject line “UNSUBSCRIBE.”

Exemptions from CASL

The following types of CEMs are exempt from CASL requirements:

- CEMs that are sent to family or friends;
- CEMs that consist solely of an inquiry or application related to the business of the recipient;
- CEMs that are sent in response to an inquiry or is otherwise solicited by the recipient;
- CEMs that are sent to satisfy a legal obligation or provide notice of existing or pending legal rights or actions;
- CEMs that are sent by an employee of an organization to another employee of the same organization and the message concerns the activities of the organization; or to an employee of another organization if the organizations have a relationship and the message concerns the activities of the organization to which the message is sent; and
- CEMs that are sent by or on behalf of a registered charity and the message has as its primary purposes raising funds for the charity (e.g. as opposed to advertising sponsors).

Consent

Consent can be obtained either expressly or implicitly.

Obtaining Express Consent

Express consent may be obtained on paper or electronically. A request for consent must include the following information:

- Why the consent is being obtained;
- Identification of Optimize as the sender;
- Optimize’s mailing address;
- A telephone number which provides access to an agent or a voice messaging system, an email address or a web address; and
- A statement indicating that consent may be withdrawn at any time.

Obtaining Implicit Consent

Consent may be implied in certain situations as defined by the CASL. You may rely on implied consent for sending CEMs if it is done under certain conditions, as set out in [section 10\(9\)](#) of CASL. This may include having an existing business relationship (EBR) based on a previous commercial transaction with the recipient; or having an existing non-business relationship based on, for example, membership in your club, being connected on social media, or if the recipient participated as a volunteer for your charitable organization; or where a person makes their email address publicly available by publishing it on a website. In the latter case, this conspicuous publication of their email address must not be accompanied by a statement indicating they do not want to receive CEMs at that address. If the statement is not present, in order to send a CEM, the message must relate to the recipient's business role, functions or duties in an official or business capacity.

CASL’s content requirements (i.e. identification and unsubscribe mechanism) still apply in the above circumstances.

Exemptions from the Consent Requirement

Consent does not need to be obtained in the following situations:

- Referral – The CEM is sent as a result of a referral, and the CEM discloses the full name of the referring party and that the message is sent as a result of the referral (first time only).
- Prior Inquiry – An inquiry or application was made by the recipient within the prior 6 months regarding certain commercial activities, including purchases or goods or services.
- Transaction Completion – The CEM facilitates, completes or confirms a commercial transaction.
- Factual Information – The CEM provides information about a product or service that the recipient uses or has subscribed to.

CASL's content requirements (i.e. identification and unsubscribe mechanism) still apply in the above circumstances.

Maintaining Inventory

Optimize must maintain an inventory of electronic contacts who have expressly or implicitly consented to receiving CEMs. The inventory needs to be continuously updated to ensure that every recipient of CEMs has consented to receive such CEMs, or is exempt from providing consent, whether explicit or implicit.

Unsubscribe Requests

Where a recipient expresses that they wish to unsubscribe from an email distribution list, the inventory must be updated within 10 business days to reflect that the recipient has unsubscribed and all employees must immediately cease to send CEMs to that individual.

Social media

Posting information on social media sites for viewing by the public, "Followers", "Connections" or "Friends", or similar is not subject to CASL and can therefore, contain any content including promotional and marketing material. However, direct messaging of CEM's to select recipient(s), whom you are not connected with through social media,) using social media is subject to CASL; consent is not required, but CEM content requirements must be included in the messaging. In these cases, an unsubscribe mechanism can be a statement as follows: "To unsubscribe from these types of messages, please advise the sender via reply message. Thank you."

Potential Penalties

Failure to comply with legislative requirements could negatively impact our reputation and could also result in monetary penalties. Administrative penalties can be up to \$1 million for individuals and \$10 million for entities. The figure may be higher in the case of civil lawsuits. As such, it is imperative that each employee understand the requirements of CASL. Employees are liable for any penalties, fines, or otherwise caused as a result of their actions which result in any related penalties, fines, otherwise due to their electronic conduct.

National Do Not Call List (DNCL)

The National Do Not Call List ("DNCL") rules regarding telemarketers came into effect on September 30, 2008. While Optimize is not considered a "telemarketer", the new rules are very broad and we may fall under the definition of "telemarketers". The DNCL rules will have implications for all employees who make calls, while the rules are quite lengthy and detailed, the impact is summarized as follows:

- An employee is allowed to call customers regarding their existing services, as well as, to discuss potential new services with a client or a potential client which they may find beneficial. Note: Always check to ensure that the customer or potential client is not on the internal do not call list or the DNCL.

- An employee is allowed to call former clients within an 18-month period from the time they ceased being a client, to offer them services that the client may find beneficial. Note: Always check to ensure that the customer is not on the internal do not call list.
- The DNCL rules do not apply to calls to businesses; consequently, an employee is allowed to "cold call" business clients regarding business related services that the client may find beneficial.

Employee Trading Policy

Ontario Securities Act RSO 1990
NI31-103 and CP31-103, NI21-101

CFA Charter of Ethics

Introduction

Optimize has established the following policy governing employee personal investments. This Policy is intended to contribute to an environment in which maintaining our integrity and reputation is of utmost importance. It also provides employees with guidelines on avoiding violations of insider trading laws.

The purpose of monitoring and restricting personal trading is to ensure that employees do not take advantage of their knowledge of confidential client trading information or their position in our firm to unfairly profit through their personal trading activities. Clients hold us in a position of trust, and employees are expected to always place the best interest of clients before their own. This policy is meant to minimize potential conflicts, both real and perceived.

Definitions

Access Person means an individual who has direct involvement in investment decisions of Clients' accounts and/or has access to systems containing such information. This includes PMs, APMs and Senior Officers.

Brokerage Accounts (personal) means all personal brokerage accounts where an employee does direct trading, has trading authority or gives investment advice about specific public securities. This would include accounts of family members or associates if you influence trades in their accounts (Affected Accounts). It would exclude accounts:

- held in a blind trust
- held in an employee's name, alone or jointly with another, if you do not have trading authority or influence trades made for the account; in which only permitted trades are possible (for example a fully managed account)
- that are a partnership in which the employee is a partner
- that belong to partners of the employee (corporate partnership)
- that are a trust of estates in which an employee has more than a 10% beneficial interest or serves as a trustee
- of companies in which you beneficially own voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the public company
- over which you either directly or indirectly exercise authority or control, or in which you have more than a 10% beneficial interest

Employee means an individual who is directly employed and involved in the day-to-day management of Optimize. This includes:

- Permanent or term employees
- Officers and Directors
- Spouses or family members who are living with an employee

Exempt Securities means securities exempt from pre-clearance as they do not present a conflict of interest with client trading. This includes:

- Securities of open-end mutual funds, segregated funds and pooled trust funds
- Securities issued or guaranteed by the Government of Canada, or the government of any province or territory in Canada, or derivatives on those securities
- Securities issued or guaranteed by other G7 countries or governments or derivatives on those securities
- GICs, CDs and other deposits with financial institutions
- Short-term debt securities maturing in less than 91 days from their date of issue
- All broadly based market Exchange Traded Funds ("ETFs")

- Physical commodities or securities or derivatives relating to those commodities
- Options, futures or other derivatives based on any broadly based market indices
- Purchases made as part of an automatic dividend reinvestment plan; stock purchase plan acquisitions and transactions resulting from a corporate action applicable to all similar security holders (DRIPS)
- Investments with external discretionary money managers or Foreign currency transaction

De Minimis Exemption applies to those securities that are defined as large cap, highly liquid securities as defined by the CIRO published list. This exemption is not available to Restricted Persons as defined within this Trading Policy, who must seek pre-approval prior.

Grey List also known as a Restricted List means a highly confidential list, compiled by a registrant, of reporting issuers about which the registrant has inside information.

Non-Exempt securities mean securities other than exempt securities including publicly listed and private placement securities.

Restricted Person means any individual with control or influence over the trading activity or the ongoing investment program of the funds, model portfolio or client accounts. This includes: CCO, CIO, members of the Investment Committee, or Traders.

Wealth Planners are excluded from the scope of the Employee Trading Policy for the reasons outlined below.

Policy

Employees are required to disclose all externally held brokerage accounts upon becoming an employee by completing the Employee Acknowledgement Form. Employees will also be required to annually acknowledge they have disclosed all external brokerage accounts to Compliance, as well as any new applicable accounts that are opened. Part of this requirement is ensuring copies of all externally held accounts' statements and trading confirmations are sent as outlined below in the section on Compliance and Recordkeeping.

All employees may trade securities on the exempt securities list; employees except for *Restricted Persons* may trade securities listed on the CIRO published list of "Highly Liquid Stocks" without pre-clearance from the CCO.

No employee may trade:

- While in possession of material information about a public issuer that has not been publicly disclosed
- If you put your interests ahead of those of a client or the firm
- While being aware of an open client order for the same public security
- If the purpose of the trade is to create a false or misleading appearance of trading activity or an artificial price for a public security or a related public security. Entering an order to purchase a public security at a certain price, with knowledge of a client's order to sell the public security at substantially the same price, or vice versa, is considered manipulative and deceptive trading; and
- Any public security has been restricted by our firm

Pre-Clearance of Trades

A Restricted Person must obtain the approval by Compliance prior to entering any trade or giving instructions to execute a trade. This can be done by submitting a trade request by email to Compliance@optimize.ca with the following information:

- Security name
- Number of shares
- Name of Brokerage firm and account numbers in question, and
- Certification that they are not aware of any pending client trades

All other employees are not required to obtain compliance pre-approval before trading. However, Access Persons must verify with the trading team to ensure that there is not a client order ahead of any personal trades that they

wish to do. If there is, they must wait until the client order has been completed before entering their personal order.

Pre-approval will be granted if the trade will not conflict with the interests of clients or be contrary to any other legal or ethical obligation of us or our employees and is subject to:

- A single transaction pre-clearance may be used to cover multiple trades of the same public security in multiple Affected Accounts
- Unless advised otherwise by Compliance, pre-clearance which grants you permission to trade the public security for two trading days. If the trade is not executed during the two trading days, it must be pre-cleared again. You may not use limit or stop-loss orders to extend a pre-clearance beyond the two-day trading limit
- Each trade in an Affected Account to buy, sell, or exercise an option requires pre-clearance of the underlying public securities. However, pre-clearance is not required to elect to receive a cash payment on expiry of an option.

A Restricted Person is prohibited from trading non-exempt public securities that are also on the Grey or Restricted List as maintained by the CIO. This trading restriction will be monitored by Compliance when an employee puts in a personal trading pre-approval request.

As the content of the Grey List is confidential, it shall not be communicated to any other employee of our firm or any non-staff member unless required by the business and documented by Compliance. Public securities may be added and or removed from the Grey List by the CIO and/or designate. These reasons must be noted on the grey list as needed.

The CCO may reject pre-clearance for any of the following reasons:

- If the CCO deems that our firm possesses inside information about a public company
- Our firm has a contractual obligation to not trade in a public company's securities (i.e. A standstill agreement or lock-up agreement)
- Any other reason that the CCO feels would be unethical in light of the CFA Code of Ethics

Restrictions

Specific further restrictions designed to prevent and detect prohibited trading are imposed on all employees as set out below.

Excess Trading

Employees are required to keep their personal trading activity at reasonable levels and ensure that personal trading does not interfere with their ability to carry out their duties. Frequent personal trading does not raise an issue under applicable laws and regulations; however it is time consuming and may increase the risk of actual conflicts real or perceived. If a pattern of excessive trading is identified the CCO will discuss the activity with the employee to see if further action is required.

Limited Opportunities (Private Placements, IPOs, and Broker Preferences)

The fiduciary obligations imposed on employees prevent them from receiving benefits due to their position with us in the form of limited investment opportunities or preferences from brokers. You are required to request an exception before participating in treasury offerings of any public equity security, whether made under a prospectus, by private placement, or in any secondary offering linked to a new or listed public security, such as offerings of special warrants or sales from control blocks, regardless of whether we buy public securities in the offering. An exemption may be granted if the offering is for tax sheltering purposes or where it can be demonstrated that the offering is widely available to the public.

Employees may not use the same individual as a broker for both personal and business trading purposes. This is to avoid the perception that special personal treatment is being given in exchange for favouring the business relationship or receive reduced fees or account perks not available to other clients.

Employees must also report the offering of any “advantageous financial transactions” to the CCO. An “advantageous financial transaction” is defined as one where there is a strong probability of gain, or a degree of exclusiveness in the right to participate.

Insider Information

Insider information is any information, fact or material change about a reporting issuer which has not yet become generally known and which could materially affect the price or value of the public securities of such reporting issuer or which could affect the decision of a reasonable investor with respect to its public securities.

All Employees must not trade in any securities of a public company or in related derivative securities if they have inside information about the public company. This Trading Policy deems information to be inside information where:

- The Information is Material – i.e. If known, would reasonably be expected to have a significant effect on the market price or value of the public company’s securities, and
- The Information has Not Been Publicly Disclosed – i.e. It has not been disseminated through a press release, regulatory filing or shareholder or open analyst meeting
- The Employee is using their knowledge of client trading or trading intentions for their personal advantage, or
- The trade provides a benefit to you that is not generally available to public investors and the trading opportunity is given by a party doing or seeking to do business with our firm or influence its investment decisions

Black-out Periods

Black-out periods are where personal trading in a public security is restricted until a trade for client accounts or the funds has been completed. This prevents conflicts of interest such as front running, tail gating or insider trading. We may use black-out periods during the following:

- Purchasing shares in an illiquid public security
- Rebalancing large positions inside the funds or client accounts
- Purchasing public securities for a new fund launch, or
- Participating in a private placement

If the Investment Team deems it necessary and on a case-by-case basis, the Team lead will make the CCO aware to issue a trade Black-out notice. To avoid conflicts the following will apply:

- No new pre-approval for personal trades will be granted until 48-hours after the trade ins occur
- Any outstanding personal trades with approval will be revoked
- You must not discuss with any external persons that there is a Black-out Period in effect

After the 48-hour period has elapsed, if you wish to trade in that public security, you must reapply for trade pre-approval

Personal Financial Dealings with Clients

Employees are prohibited from engaging in any personal financial dealings with clients unless specifically authorized as described below. Personal financial dealings encompass any financial, securities or investment arrangement that involves an employee or in which an employee has a personal interest.

Employees are permitted to engage in personal financial dealings with their immediate relatives (i.e. spouse, children, parents, siblings and similar), provided these are bona fide personal arrangements and do not represent that the employee is acting in their capacity as our employee, or that Optimize is otherwise involved.

If an employee wants to enter into personal financial arrangements with any client other than an immediate relative, the employee is required to obtain prior written approval from the CCO. Such exceptions will normally only be approved if there is a longstanding personal relationship (i.e. pre-existing any client relationship), and the requested activity does not contravene regulatory requirements or have the potential to bring you and/or the firm into a conflict of interest with their obligations to the client.

Even if a personal financial arrangement is permitted, you should give careful consideration as to whether the activity may constitute an outside activity. If in doubt whether any activity constitutes an outside activity, a conservative approach should be followed and the requirements for an outside activity complied with.

Compliance Monitoring & Recordkeeping

Compliance is responsible for ensuring that all our new and current employees are familiar with the Personal Trading Policy. This includes:

- Meeting with new employees to provide an overview of the Trading Policy
- Ensuring our new employees sign the Acknowledgement form where external brokerage accounts are disclosed
- Ensuring that on an annual basis all employees have certified they have read and understood the Trading Policy and have disclosed their external brokerage accounts
- Annually review the procedures to ensure effectiveness of trade monitoring and reporting
- Assess the Trading Policy on an annual basis as part of the CCO annual compliance report to the Board
- Escalate to the UDP any instance of non-compliance of this Trading Policy by employee(s)
- Maintain confidentiality of all information received
- For employees: collecting external brokerage account information
- For Access Persons: collecting external brokerage account information and review statements/trading confirmations
- For Restricted Persons: collecting external brokerage account information, review statements/trading confirmations and pre-approve trades
- Report on a quarterly basis that accounts have been reviewed
- Retain employee records in accordance with the recordkeeping requirements

Employees are required to do the following to be in compliance with this Trading Policy:

- Report on the Acknowledgement form all brokerage accounts held with external brokers
- Inform Compliance of any new accounts opened with external brokers
- Annually acknowledge having read and understood the Trading Policy and confirm accounts held
- Provide all external brokers a Letter of Authorization (Restricted Persons) to send duplicate Statements and confirmation to the designated person at the firm
- Use good judgement in personal trading, and if any of the Trading Policy is unclear consult with Compliance

Non-Compliance

Employees are responsible for immediately alerting Compliance of any personal trading not in compliance with this Trading Policy whether such personal trading was your own or that of a co-worker.

Compliance will make a case-by-case determination as to the seriousness of the situation and the appropriate action will be discussed with the UDP. Non-compliance is a serious matter; if the actions have caused harm to clients, the markets, the public or our reputation it may be necessary to alert the regulators.

Non-compliance to the Trading Policy includes but is not limited to the following actions:

- Making prohibited investments
- Maintaining undisclosed accounts

- Front-running, tail gating or trading against clients
- Market Timing or late trading in the underlying public securities of the Optimize funds
- Failing to obtain pre-clearance where required

For failure to obtain pre-clearance Compliance may consider:

- Whether the trade would have been approved if pre-clearance had been requested
- Whether the trade was in actual conflict with any client trades
- Whether there is a history of non-compliance by the employee

Sanctions for non-compliance may include:

- Issuing a warning or reprimand to the employee
- Requiring the employee to reverse the trade
- Requirement for further education
- Suspension of trading privileges
- Requiring the disgorgement of any profit earned on the trade
- Suspension or dismissal of the employee if a violation is serious or the employee has habitually violated the Trading Policy, and
- Alerting securities regulators if the conduct is very serious and may have caused harm to clients, the markets, or the public

Wealth Planners

Wealth Planners are excluded from the scope of this Policy for the following reasons:

- They are not located at head office or in an office where day-to-day management of client accounts occurs.
- They have restricted access to files and systems.
- They do not have advance knowledge of trading or investment strategies.
- There is an Exempt Security and De Minimis Exemption available, which would apply to the WP.

Dealing with Clients Policy

Optimize Wealth Management

Suitability, KYC, KYP & Portfolio Management

Fitting the Concepts Together When Dealing with Clients



Dealing with Clients will provide an overview of the role Portfolio Managers (PMs) and Associate Portfolio Managers (APMs) have as gatekeepers of the integrity of the capital markets. To establish a client's identity and conduct due diligence, registered employees perform suitability, know-your-client (KYC), know-your-product (KYP) and proper Portfolio Management that keeps the client's best interest's forefront, and ensures the capital markets will not be brought into disrepute.

Suitability is triggered whenever a PM or APM makes a recommendation to a client about an investment action, security, investment, trading strategy, fee structure, or makes an investment decision under an investment management agreement. Knowing-your-client is about meaningful dialogue that puts the clients' interests first. Meaningful dialogue, combined with existing suitability requirements must be made fairly, honestly and in good faith. Knowing-your-product is an extension of dealing fairly, honestly and in good faith with your clients because you must have a general understanding of the securities and products available to your clients to meet the suitability obligations. Each of these concepts are used throughout the Portfolio Management process when collecting information and analyzing risk. This is about putting the client's interests first. While conceptually distinct, in practice, these concepts are closely connected and interwoven.

An important concept to be mindful of is that Optimize cannot be and does not need to be everything to every client, which means that in certain instances, the best and most suitable advice to a client is to not proceed with an investment or to not proceed with opening an account at Optimize.

In addition to understanding how Suitability, KYC, KYP come together in effective portfolio management, Dealing with Clients will cover the Senior and Vulnerable Code and Client Complaint Handling Policy.

Portfolio Management is delivered through the Optimize Private Client Program, driving value to clients by providing a suite of services to our clients. The KYC, KYP and Suitability process has been tailored to this Program, the cornerstone of our business model. On an annual basis, Compliance partners with the Sales team to provide training on the materials contained in our Dealing with Clients Policy. New registered employees will be provided training at onboarding.

Suitability

This concept refers to the duty PMs have to ensure any investment recommendation or decision is appropriate for a client given their goals, needs, personal and financial situation, risk profile and any other consideration to be factored into the decision. This is in addition to the fiduciary duty and common law obligations that PMs also have to their clients of putting their client's interest first, above their own or that of the firm's.

Optimize only offers proprietary products, the PM or APM is not required to conduct further analysis of alternative recommendations or investments outside of our models. However, the PM or APM must be certain that the model portfolio being recommended to the clients is suitable and puts their interest first. There may be circumstances where we cannot offer a suitable solution to a particular client, where we would be obligated to decline the client.

Where a client holds a non-core position, it must be actively managed and considered during the investment management of a client's portfolio. Non-core positions are approved by Compliance on an exception basis only and are managed as set out with the Non-Core Positions Policy Please refer to the Non-Core Positions Policy.

Considerations

Meeting the suitability requirements falls on the registered employee. This can't be delegated to an unregistered employee. The registered employee must first comply with KYC, KYP and due diligence obligations. Based on information reasonably available at the time, the PM then considers the client's:

- KYC Information
- Financial objectives and risk profile
- Both negative and positive factors involved in the transactions
- Over-concentration in a type of security
- Market conditions
- Redemptions
- Other liquidity restrictions
- Investments held at other firms (if the client discloses this information)
- Too much investment in a specific sector or industry
- Single issuers and the same group of issuers
- Single assets or a group of assets
- Asset classes
- Illiquid exempt market securities or liquid publicly traded securities

Fees and Costs of Products

Costs can significantly impact a client's return over time. The client's returns should be assessed considering the compensation paid to the firm or registered person as well as direct and indirect costs. This includes all costs and fees for purchasing, selling or holding a security and both the account-level and fund-level costs associated with our model portfolios.

Professional Judgement

The overarching principle is that the PM and APM are expected to use their professional judgment, taking into account the particular client relationship and Optimize's Private Client Program, when considering these factors and they may need to be weighed differently so clients can make an informed decision.

A client's overall situation needs to be understood by the PM or APM, when making a suitability determination. This means ensuring we have obtained sufficient information from the client, so that their overall situation can be considered. Where possible, inquiries of client's other holdings need to be made in order to have a better understanding of a client's circumstances and needs, and if there is an impact to the risk profile or other investment objectives.

Once reasonable efforts have been made to understand a client's unique situation and all relevant information has been collected, a suitability determination can be made within the context of the information we received from the clients. PMs and APMs will be required to log a note in the CRM detailing this.

Ongoing Requirement

The suitability obligation is an ongoing requirement to be completed during periodic reviews of a client's account (at least annually) and with certain "Trigger events" (see the KYC section below). They should also be done in a timely manner based on the nature and circumstances of the event. For transfers- in, for example, they should be done within a reasonable time after opening the account. The registered person should use their professional judgment to determine whether the client's needs should be reassessed.

Unsuitable Trades

There is NO obligation to accept an order or instructions from a client that does not meet the suitability obligations:

Don't: rely on outdated KYC or KYP information

Don't: fail to do the analysis

Do: use your professional judgement

Do: make a recommendation based on the overall portfolio

Do: disclose the material negatives

Do: keep notes on discussions with clients and the outcome

Recommendations

Be sure that your recommendations include:

1. A Model Portfolio and strategies that put the client's interests first
2. Disclosure of the material negatives and positives

In all cases, consider that the costs and fees can have a significant impact on the client's returns over time.

When meeting with prospective clients, the PM is expected to make an appropriate suitability assessment. It is possible that your professional judgment leads you to the conclusion that you cannot assist a client. If we are unable to provide a suitable financial solution for the client, there is no obligation to open an account.

Conflicts of Interests: Always consider your obligation to avoid Conflicts of Interest [see our **Ethics Program: Identifying & Managing Conflicts of Interest**] – conflicts of interest must always be avoided when they can't be resolved in the clients best interest.

Multiple Client or Family Accounts

Multiple accounts held by one client can be assessed together if:

- The needs, objectives, time horizon and risk profile are the same for all of the accounts;
- The same PM and APM are responsible for all of the accounts;
- We can supervise the accounts, and
- The client understands that that's what the PM intends to do.

For multiple households, an account level suitability is still required, as well as by household if everyone in the household agrees (aside from minors).

Seniors & Vulnerable Clients Suitability Obligations

When considering Suitability, PMs and APMs should also consider the investor's age and life stage. Net worth alone is not sufficient. PMs and APMs must consider time horizon, investment objectives, liquidity needs, risk tolerance, tax status, and be mindful of:

- Products that have early withdrawal penalties or otherwise lack liquidity

- Products that have long holding periods
- New, complex and non-conventional products
- Assuming too much risk
- Concentration of a particular product(s) in a client's portfolio

Meeting with Vulnerable/Senior Clients

Pre-Meeting

- For vulnerable clients, ask the client to bring someone to the meeting, in person or by telephone, such as the POA, or trusted individual.
- Confirm meeting with client and anyone else attending
- Obtain client consent to have another PM/APM attend the meeting (if required)
- Review client file including notes from previous meeting. If another PM/APM is joining the meeting, ensure they have a copy of the notes

During the Meeting

- If possible and practical, have another PM or APM in the meeting to take notes
- Review any previous meeting notes with the client
- Accommodate the client's preferences, such as using simple language, having larger font versions of documents if necessary, allow for more time for meetings

After the Meeting

- Make notes of any issues discovered during the meeting
- Escalate to compliance if necessary

Seniors and Vulnerable Clients KYC Requirement

While assessing investment suitability for Seniors and Vulnerable Clients, registered persons should also consider:

- Employment status and the projected retirement date
- Potential expenses while in retirement (i.e. travel plans, property purchases, health care costs, etc.)
- Liquidity needs, such as a breakdown of current expenses, short and intermediate term expenses, and whether investments generate sufficient income to meet the client's fixed and potential expenses
- Estate planning objectives, including family giving and charitable donations, if any, and
- Any current Wills, POAs or Protection Mandates

Other Considerations

Context: does the client understand their situation?

Choices: does the client understand their choices?

Consequences: does the client understand the ramifications of their decisions?

Consistency: does the client make consistent choices?

Know-Your-Client (KYC)



The Know Your Client Rule is the cornerstone in a PM and APM relationship with a client. Collecting essential facts about a client allows Optimize to understand our client’s needs. In turn we are then able to offer services beyond the basic suitability requirements. The KYC process is the primary obligation of the registered employee assigned to the account. It may not be delegated to non-registered employees outside of the collection of “tombstone” information. To know-your-client, you must:

- ask the right questions
- not ignore red flags
- where there is increased risk, ask more questions
- do the work yourself and not delegate this task to anyone else, especially if they are not registered
- be sure the dialogue is meaningful, adequate and timely

This is not supposed to be a tick-the-box exercise, the process for collecting and maintaining client information requires meaningful interaction with clients by the PM or APM. Registered employees are the gatekeepers for the financial markets and also in the best position to understand their client’s needs to meet their financial objectives.

Registered employees need to use their professional judgment to ask probing and relevant questions. Additionally, the higher the risk or the more complex the financial circumstances of the client, the greater the obligation to ask relevant questions for a fully customizable service.

This analysis must be done before the account is opened or, for existing accounts, after, or for a transfer-in, as soon as practical, but in each case, it must be done at least annually and ongoing basis.

During the client discovery and onboarding process, PMs and APMs should remind clients of the importance of keeping their KYC information up to date and making us aware of any changes to their personal circumstances as soon as possible. The Relationship Disclosure Information document provided to clients at onboarding outlines their role in maintaining a relationship with us, as well.

Collect and Maintain Information

Client information must be gathered and kept current for each client and cannot be attributed to several people, like joint account holders or families. PMs and APMs must:

- **Identification:** Confirm that client identification was established with accuracy as per FINTRAC rules.
- **Accurate Representations:** Make reasonable inquiries into a client’s representations.
- **Insiders:** Determine if the client is an insider of a reporting issuer and explain what an “insider” means and what it means for securities to be publicly traded
- **Suitability:** Make a determination about suitability and adequately understand the client’s needs
- **Creditworthiness:** Determine creditworthiness by collecting financial information about the client

Information Collected to Know your Client

PMs or APMs must verify “essential facts” from the client which include, at a minimum:

Essential Fact	Description
Personal Circumstances	Date of Birth Address and contact information Family Status and dependants Employment Status and Occupation Authority to provide instructions Any third-party financial interest in the account
For Corporations, Partnerships or Trusts	Legal Name, Nature of Business Type of Entity, form and details of organization Head Office and Authorized Person information Identify any person with 25% or more of the shares who exercises control over the affairs of partnership or trust Any third-party financial interest in the account
Financial	Annual and Source of Income
Liquidity needs	Need for access to funds Sufficient funds to cover expenses
Asset/Net worth	Breakdown of assets, investments, and cash Understanding of liabilities, mortgages and debts It is important to ask probing questions to understand a client’s net worth
Borrowing	Is the client using leverage to finance their investments? Here it is important not to ignore situations where a client is borrowing to invest or can not service a debt
Client Investment Needs and Objectives	Are the client’s needs Income Focused? Capital Growth? Retirement? A Balance? What are the investment goals?
Investment Knowledge	Does the client understand financial markets? Risks and limitations of investments and level of risk? What experience has the client had investing? While a client may not have the investment knowledge, they may still be able to accept the risks
Risk Profile	Determine the client’s risk tolerance: What is the client’s risk tolerance and are they willing to accept risk? Take a financial loss? Determine the client’s risk capacity: Is the client able to withstand risk? Take a financial loss? This determination depends on factors such as the client’s age, stage of life, financial and personal circumstances, liquidity needs, and time horizon.
Time Horizon	Assess if the time horizon is feasible and reasonable relative to the client’s liquidity needs, age, investment objectives, risk profile, and other particular circumstances.

	The length of client’s time horizon impacts the type of investments: the longer the time horizon the greater the degree of flexibility for building a portfolio
Meet Suitability Requirements	<p>The client’s risk profile must be fair, clear, and not misleading</p> <p>They must understand both the short-term and long-term horizons</p> <p>If objectives cannot be met, explain the alternatives or why the objective cannot be met</p> <p>Client interests must come first before any recommendations or purchases are made</p>

Investment Policy Statements

An Investment Management Agreement, which we refer to as an Investment Policy Statement (IPS), provides the parameters of a client’s investment needs. Based on the KYC information the client provides, the PM and/or APM, prepares an IPS to identify a client’s investment objectives, investment restrictions, and risk tolerance, and to determine an appropriate Model Portfolio that is consistent with these factors. We obtain the client’s agreement to the IPS and manage the client’s account on a discretionary basis in accordance with the IPS.

The Client’s File

It is the duty of PMs and APMs to keep all client account documentation and supporting documents complete and up-to-date. A copy of executed documents must be retained in the appropriate client files. Any material changes to the client circumstances or investment objectives are considered a trigger event for a review and if appropriate an KYC update with the client.

Don’t: pre-populate KYC Questions related to the client’s investment objectives, financial objectives, investment knowledge, goals, time horizon, liquidity, and risk profile

Don’t: mischaracterize what the client says

Do: act fairly, honestly, and in good faith

Do: put clients’ interests first

Do: have meaningful conversations

Do: Keep good notes

Templates: While tools and templates can be used to collect and document “essential facts”, the collection should be meaningful and include all of the information required by our Client information Form (“CIF”) and IPS.

Client’s Confirmation: Wherever possible, PMs and APMs should have the client acknowledge the essential facts. This also applies each time there is a material change to the client’s file and the Model Portfolio assigned to their accounts.

Client signatures are required confirming the information on the CIF and IPS is correct when there is a change to the Model Portfolio.

Multiple Accounts and Separate Applications: No two individuals are the same and so this process must be completed for each individual. If the beneficial owner is the same then a separate application is not needed but this won’t apply to Joint, Corporate, or Trust Accounts. The assessments can be across multiple accounts.

Multiple Dealers and Different Lines of Business: Ask about other investments or multiple dealers. Different investments and vehicles across various lines of business can have a differing impact on liquidity thresholds and risk profiles.

Obligations of the PM or APM

This process CANNOT be delegated, but other PMs and/or APMs can be added to the account. A supervisory PM cannot delegate supervision of the advice prepared by an APM.

Plain Language and Assistance: It is the PM's and APM's obligation to help the client understand their investment needs and objectives. More care should be taken with less sophisticated clients. Use of technical jargon should be limited, and visual aids should be used when appropriate and possible.

Validate Information: Make sure that the client understands the question and validates their answers. If needed, ask the question in different ways.

Adequate and Timely Update of Information, Periodic Reviews and Triggering Events: The PM and APM need to be proactive. Updates to information need to be adequate and timely so that the information provided by the client is sufficiently up to date to support a suitability determination. Triggering events may require a periodic review of the client's information. However, these updates must occur at least once every 12 months, and include a review of all of the KYC elements.

Trigger Events are defined as any change that impacts information collected on the CIF irrespective of the date the form was collected. Examples of trigger events (not exhaustive) include:

- Change of supervising PM
- Change of employment circumstances (retirement, promotion, leaves of absence)
- Change of jobs (new company, new city)
- Change of address
- Change of marital status or dependents (birth, university, moving back home)
- Addition of a new account
- Adding or withdrawal of funds in excess of 10% of stated net worth
- Change in the client's risk tolerance or risk capacity
- Change in the client's investment objective

For each trigger event, ask about: Client personal circumstances, Financial circumstances, Investment needs and objectives; and Changes to investment time horizon.

Significant Changes: As the PM determines the frequency of updates, it is important to check for significant changes to the client that could impact their net worth or income, including:

- Risk profile
- Investment time horizon
- Investment needs and objectives
- A change in the "essential facts", like a job loss

If there is a significant change, it is important that the client's portfolio is assessed for changes to the asset allocation or is restricted accordingly. The client will be required to sign a new IPS if the model changes.

It is important that PMs and APMs confirm the accuracy of the information with the clients during a KYC Update, which includes the date the conversation occurred. This can be done by obtaining new signed documents, an email confirmation, or maintaining notes on the CRM. It must also be confirmed by providing written confirmation to the client, allowing them an opportunity to understand the nature of any updates or to provide corrections if needed.

For changes to name, address, removal and replacement of existing emails or phone numbers, or banking information held on file, we will require a signed acknowledgement from the client due to the elevated risk of fraud.

If the Client Refuses: A client may refuse to provide sufficient information or may delay providing KYC update information necessary, to allow the PM and APM to complete their suitability obligations. This does not automatically stop the PM and/or APM from helping the client, but the PM should determine if they have enough, or sufficiently current, information to fulfill their suitability obligations. The PM or APM can take all or some of these steps:

- Let the client know which pieces of information they need to open the account.
- Let the client know that the more they provide, the better we can serve them.

- Remind the client of Optimize’s privacy policy and confidentiality requirements.
- Explain to the client that Optimize has a regulatory requirement to collect the information.

Where insufficient information has been obtained or such information is not sufficiently current, a registrant should decline to open any new accounts or decline to provide any new investment services. Please contact Compliance in these circumstances.

Seniors & Vulnerable Clients Policy

Financial exploitation and cognitive impairment can impact both seniors and vulnerable clients. PMs and APMs are in a good position to identify financial fraud or abuse, diminished capacity or significant changes in behaviour of a client because of their relationship with the clients. PMs and APMs should be alert to these issues at account opening and during trigger events.

Defining Seniors and Vulnerable Clients

Sixty (60) years of age is our defining threshold for seniors whose accounts which may be subject to enhanced supervision. While seniors can be vulnerable to investment fraud, financial abuse and unsuitable investment advice, not all older clients are vulnerable or unable to protect their own interests.

Vulnerability can affect a client of any age, take many forms, and can be temporary, sporadic or permanent in nature. A vulnerable client is someone who is especially susceptible to detriment due to their personal circumstances. Several factors can make clients vulnerable, including an injury, illness, mental health issue, cognitive impairment, or disability.

Vulnerability may also be caused by financial illiteracy, social isolation and difficulty managing, or an inability to manage, one's affairs or cope with specific life events (bereavement, financial problems, a sick family member, etc.). It could also be caused by language barriers or affinity group exploitation.

Definitions

Power of Attorney: Is a person granted the legal authority to make decisions on the client's behalf when they are unable to make decisions (ie: mental or physical incapacity).

Estate Trustee: Is the person with legal authority to manage or distribute an estate. The client is deceased when the Estate Trustee's authority begins.

Trusted Contact Person: Is a person who can be contacted with concerns about a client's account.

Financial abuse: Refers to any conduct done with or without the informed consent of the client, that results in a monetary or personal gain for the perpetrator and/or personal loss, theft from or exploitation of the client.

The Optimize Senior & Vulnerable Client Code

In all circumstances Optimize and our employees must exercise our judgement to act in our client's best interest.

- We have established policies and procedures.
- We will communicate effectively with seniors & vulnerable clients
- We provide appropriate training to our employees and representatives
- We make resources available to employees
- We endeavor to mitigate potential financial harm
- We consider Seniors & Vulnerable Clients in business decisions

Serving Vulnerable and Senior Clients

Employees may need to adapt their practices to reflect the diverse circumstances and needs of Senior and Vulnerable Clients which include:

- Additional KYC Requirements and Suitability requirements
- Physical Accessibility – Select locations for client meetings that can easily adapt to any client concerns such as wheelchair accessibility, wide doorways, escalator/elevator access

- Information Accessibility – Large print forms and documents, consolidated statements, information brochures, etc.
- Accommodating limitations to technology (ability, systems or acumen) for example liquid signatures vs DocuSign.
- Complaint Handling – Make an effort to assist the client with any difficulties or issues when a complaint has been brought to our attention [See [Dealing with Clients: Complaint Handling](#)]

Red Flags

Employees are not expected to be experts on identifying issues impacting Seniors or Vulnerable Clients, but they are in a good position to identify financial fraud or abuse, diminished capacity or significant changes in behaviour of a client. Some examples of **diminished capacity** can include:

- Memory loss, confusion or unfamiliarity with basic financial concepts
- Difficulty completing forms
- Difficulty communicating
- Change in personality, appearance or behaviour
- Deference to a Third-Party like a family member, friend or caregiver

Financial abuse and exploitation can take on many forms, but can include things like:

- Unexplained withdrawals from accounts or account closures, adding others to make joint accounts, unusual gifts
- Reluctance to discuss financial matters
- Bringing “new” third parties to meetings, like caregivers, friends, family or others
- Sudden changes to legal or financial documentation like a change of beneficiaries, POA or TCP
- Lack of response to meeting requests or one-on-one communication
- Isolation or signs of physical abuse
- Indication of any financial pressure on the client from a Third-Party

Some **best practices** appear in the [AMF’s Practical Guide to protect vulnerable clients](#) which includes:

- Regular communication
- Resources to help clients assess their financial interests
- Be alert to signs of mistreatment
- Communicate with vulnerable clients using plain language
- Have a designated internal person to assist with vulnerable clients
- Maintain a detailed record of communication with vulnerable clients

Protecting Clients’ Financial Well-Being

All employees should be aware of the importance of a POA, Protection Mandate and Trusted Contact Person. This information should be collected during the KYC process including any instructions or specific documentation required and ensure that this information remains up to date at trigger events.

Power of Attorney (POA)

A POA, appointed by the client, allows the POA full access to the client’s financial decisions except designating a beneficiary. This legal document allows the POA to do anything on the client’s behalf. It is important to understand what kind of POA is in effect and the scope of the POA.

General POA - takes effect once the client has signed the legal document. The powers of the attorney are laid out within the document. The client is still able to give instructions when this POA is in effect. This POA is revoked once the client loses mental capacity.

Enduring/Continuing POA – is put in place when the client signs it and remains valid after loss of mental capacity.

Limited POA - gives the attorney the power to take specific actions on the client’s behalf. This is more restrictive than the General POA. The client is still able to give instructions when this POA is in effect. This POA is revoked once the client loses mental capacity.

Springing POA – only takes effect once a certain event occurs, usually loss of capacity. Medical certificates are generally required to confirm this status and activate this POA. These specifications are outlined within the POA document.

When accepting instructions from a POA, PMs and APMs must always consider the circumstances of the client in determining if investments are suitable.

Red Flags of POA Abuse

- Sudden or frequent changes to a client’s POA followed by a change in account activity,
- Multiple conflicting POAs,
- Power imbalance in the relationship between the client and their POA, or
- Large or unusual withdrawals being made by the POA

Protection Mandates (Quebec Only)

A Protection Mandate (Quebec Only) is similar to a POA where a Mandatary is appointed to make decisions for the client’s well-being, such as for health, property, and finances, when the client becomes incapacitated and can no longer make these decisions. It is a legal document and outlines the scope of the Mandatary’s responsibilities.

The protection mandate only comes into effect when the court deems it “official” through the process of homologation or approved by a regulatory or legal body.

Trusted Contact Person (TCP)

A TCP is an adult who the client trusts with their personal information (family member, close friend, or caregiver) but ideally does not have an interest in the client’s account or assets and would not be involved in making financial decisions for the client.

A TCP must be over the age of majority, lives in the same jurisdiction as the client, can be more than one (1) individual, should be different from the Power of Attorney and cannot be the Dealing or Advising Representative.

When to Collect

While collecting or updating information for clients (does not apply to non-individuals), PMs and APMs should take reasonable steps to obtain information about a trusted contact person (TCP) including their:

- Name and contact information (Full name, mailing address, telephone number, email, relationship)
- Written consent to contact the TCP

Page six of the CIF contains a section where the PM or APM can collect information on the TCP. Page three of Relationship Disclosure Information Document provides clients information on the importance of a TCP, the circumstances under which we would contact them and the concept of a temporary hold on the account or a transaction.

Client Refusal

If a client refuses to give a TCP, the PMs or APMs should try to explain why it is important, record the attempt (to demonstrate compliance), and follow-up with the client at the next KYC Update call. Clients who initially refuse to provide this information may do so at a later time. Log a note in the client file as to the reason why the client declined if they later choose to provide one.

When to Contact

If an employee suspects a client may be at risk of any red flags, they can contact the TCP to ask about:

- Financial exploitation
- Discuss concerns about mental capacity or lack of ability to make financial decisions
- The name or contact of a legal guardian or executor
- Current contact information for the client

When a decision is made to contact a TCP, it should also be considered whether other relevant parties such as the police or an office of a public guardian or trustee in the relevant jurisdiction should be contacted.

It is important to note that a TCP is not authorized to make financial decisions on behalf of the client and as such the client's investment information cannot be discussed with the TCP. All conversations with the TCP should be documented.

Employees should use caution prior to contacting a client's TCP by considering:

- Communicating information to the TCP only in accordance with the client's consent
- Applicable privacy legislation
- Client confidentiality or non-disclosure agreements
- Possible circumstances under which a TCP may be abusing the client

During a regulatory audit, regulators will commonly ask for a list of all clients who have TCP, what percentage of all clients have a TCP, how many times a TCP has been contacted, and the surrounding circumstances so this information should be maintained and accessible.

Supervision

Enhanced oversight of accounts and transactions for seniors and vulnerable clients can help to identify unsuitable transactions or abusive practices. We have enhanced supervision for seniors and vulnerable clients.

Compliance does the following:

- Conducts more focused reviews of new account application forms and KYC updates for seniors and vulnerable clients;
- Establishes age-based heightened review criteria for certain novel investments or product concentrations;
- Conducts spot checks, incorporating factors such as age and retirement status when selecting client trades or portfolios for review;
- Enhances reviews for accounts that have a POA or a Protection Mandate;
- Enhances supervision as transactions occur; and
- Uses a Supervision Log for monitoring.

Reporting and Escalating Concerns

As soon as you believe a client shows signs of diminished capacity and/or financial abuse, even if minor, contact Compliance (compliance@optimize.ca) and be sure to document the facts and reasons for the escalation. All employees can use this form as a guide [see '[Appendix A](#)']

Compliance may determine that it is necessary to disclose the matter to external law enforcement. Matters shall not however be disclosed externally without consulting Compliance first.

Temporary Hold

A registered employee may place a Temporary Hold on the client's account if they have reasonable belief that the client:

- Is, has been or will be financially exploited; or

- Lacks the mental capacity to make decisions.

A Temporary Hold is a hold that is placed on the purchase or sale of a security or withdrawal or transfer of cash or securities from a client's account. The hold is not intended to be placed on the entire client account, but on a specific transaction. A temporary hold can only be granted by the CCO, UDP and/or Legal Counsel. In all cases, even minor cases, if a registered employee believes a Temporary Hold on an account is necessary, or for questions about vulnerable clients, contact the CCO loretta.carbonelli@optimize.ca

When a temporary hold is being placed on an account, the registered employee must:

- Obtain authorization from the CCO or the UDP
- Document all facts that caused the need for the temporary hold
- Provide notice to the client (verbally or written), as soon as possible to inform them of the hold, the reasoning behind the hold
- Document all conversations and keep a copy of the notice on file
- Contact the TCP, if necessary

Every 30-days, we review Temporary Holds to determine whether the hold will remain, be released or if another action will be taken by the Firm. Temporary holds should not be removed without authorization from the CCO.

Training

The following training is provided to our employees:

- Internally by our Compliance Training Officer and/or
- External training from the CSI or other 3rd party regulatory course providers

Our training reviews current regulatory requirements for Seniors and Vulnerable Clients, addresses "Red Flags" and common financial scam scenarios. PMs and APMs can benefit from the [ASC's Check First website](#) which provides helpful resources about Seniors and "Red Flags".

Know-Your-Product (KYP)

Purpose

The KYP requirement applies to both Optimize as a firm and the PM, APM, or research PM. It requires that the registered employees understand the structure and features of each investment product, assess the structures, features, risks, initial and ongoing costs, and the impact that products have on our clients. KYP is an important part in meeting the KYC and Suitability obligations.

KYP applies to all investment products, including Optimize Funds, Model Portfolios, and ‘Non-Core’ Positions.

Registered Employees’ Obligations

PMs and APMs must determine suitability of each proposed transaction for each client and must thoroughly understand a product before they can determine whether it is suitable to recommend/purchase the product for a client.

The Registered Employee must understand:

- What is available on our shelf and marketed by Optimize
- The products they recommend to clients
- The products they purchase for their clients

The registered employee should be able to identify which products are available to clients and understand why certain Model Portfolios are only suitable for some clients. Products that are more complex may require more due diligence. Products that are sold under a prospectus exemption may require a more extensive review because of the limited disclosure available about them.

Registered employees should do their own assessment of products. For example, if an investment product is approved by us, it does not automatically satisfy the PM/APM’s KYP obligations and so they should not rely solely on third-party assessments.

Model Portfolios: We offer a suite of private pooled investment funds (the “Optimize Funds”), used in the construction of the Model Portfolios. The Optimize Funds are used exclusively in the management of client investment accounts. Registered persons are required to be familiar with each of the Optimize Funds and Model Portfolios in order to effectively determine suitability and to monitor any product they recommend or purchase on an ongoing basis for significant changes.

Conflict of Interest: Optimize uses the Optimize Funds exclusively. As such, PMs/APMs must undertake their own product review and care must be taken to ensure that the products are suitable for the client and that the inherent conflict in offering only proprietary products has been addressed in the client’s best interests. This is in addition to clear disclosure that the PM will be using proprietary products delivered prior to entering into the client relationship.

Non-Core Positions (see next section): Only the UDP, CCO, or SVP of Compliance may approve Non-Core Positions in client accounts. The approval must be obtained in writing or by email. A note in the client file on the CRM must confirm this approval, including the date approval was received, the reason for approval or non-approval and any other information relevant to the approval.

For non-core positions approved to be held in accounts, the PM and APM, perform sufficient due diligence to understand the product, take the product into account in selecting the model portfolio(s) for the client’s account and monitor for significant changes to non-core positions that have been approved by the firm.

Transfers in: The PM and APM must within a reasonable time conduct a suitability assessment of securities that are transferred in. They are considered non-core positions and the PM or APM is expected to abide by the Non-Core Policy (see next section).

Document the File: The PM and APM must demonstrate that a know-your-product due diligence process has been completed on the investment securities, and that it was determined to be suitable for the client by logging a note, which must be updated periodically and at least annually.

Prudent Person Rule: All investment decisions and recommendations must meet the basic expectation of the *Prudent Person Rule*; namely, that, “Those with responsibility to invest money for others should act with prudence, discretion, intelligence, and regard for the safety of capital as well as income.” The practical effect of this Rule is that only those investments that a reasonably prudent person acting in a similar capacity would exercise in managing an investment portfolio are selected for a client's portfolio.

Firm Obligations

Training: We provide product training to ensure our registered persons can conduct their suitability review with an appropriate understanding of the products and their tasks.

Product Review: Regulators require that we have a process to review, approve or reject new and existing products where a fund’s structure or features have significantly changed. The extent of the product review process will depend on the structure and features of the product and whether it is proprietary or a third-party product. Each of our products go through evaluation process conducted by the Investment Committee (“IC”).

Our firm cannot recommend a product based solely on:

- Information from issuers or other third parties, including related parties, about the product’s suitability or risk profile
- Similarities with other products
- Recommendations made by other market participants to their clients

KYP Reports for Optimize Funds and Model Portfolios: The IC is responsible for ensuring regular KYP Assessments are conducted for the Optimize Funds and the Model Portfolios comprised of the Funds. As Optimize offers only propriety products, the IC will conduct periodic due diligence on comparable non-proprietary products available in the market and evaluating whether the proprietary products are competitive with the alternatives available in the market. Such reviews will be not less than annual.

Factors Considered in a KYP Assessment

Factor	Details
General Features and Structure	Basis of security’s return (minimum return, dividends, interest rate). Use of leverage. Overall complexity, transparency, and uniqueness of features of the product’s structure. The basis of the security’s return and the likelihood of achieving its investment objectives and any expected returns, The time horizon and liquidity restrictions The use of leverage
Conflicts of Interest	Conflicts of interest arising from the compensation structure or other factors Whether any proprietary product is competitive with the alternatives available in the market, taking into account the entirety of the service offering.

Risks	<p>The possibility that a client may lose some or all of the principal amount invested.</p> <p>Risks relating to the product, such as liquidity risk (including redemption rights and any features that lock in the principal and/or returns for a specified period), price volatility, default risk, and exposure to counterparty risk.</p> <p>Risks related to assets underlying derivatives or structured products costs.</p>
Fees and Costs	<p>Fees paid to registrants or other parties, such as commissions, sales charges, trailer fees, management fees, incentive fees, referral fees and early redemption fees.</p> <p>Embedded costs, such as bid-ask spreads or other expenses.</p>
Parties Involved	<p>The issuer’s financial position and history.</p> <p>Qualifications, reputation and track record of the parties involved in key aspects of the product, for example, the fund manager, PM, product manufacturer or sponsor, any guarantors and significant counterparties.</p>
Legal and Regulatory Framework	<p>Any laws or rules of self-regulatory organizations that apply to the employee/registered person.</p> <p>If distributed under an exemption, whether the product meets the requirements of that exemption.</p> <p>Legal characteristics of derivatives and structured products (jurisdiction of special purpose vehicles, bankruptcy protection and RSP eligibility).</p> <p>Frequency, completeness and quality of the issuer’s disclosure.</p>

Monitoring

The IC monitors and assesses the firm and Compliance monitors the registered employee’s compliance with KYP. Both teams will monitor existing products for significant changes.

Our “Product List” & IC

This is a product list that we are registered to advise on or trade in, which we selected through a fair and unbiased market investigation, a product comparison and an optimization process based on the investment needs and objectives of our clients.

KYP Guides and Documentation

The IC creates and maintains KYP, KYC and Suitability guides/best practices to assist PMs and APMs with their obligations. These documents are used as best practices and guides to provide information on the Model Portfolios. They serve as reference guides for existing PMs and used for training purposes for new PMs and APMs.

Name of Document	Purpose
Optimize Fund Disclosure Document	Is provided to clients and new employees to inform them of regulatory, legal and other disclosure information on the funds.

Optimize Private Client Program	Used to describe the services offered at Optimize to clients and new employees. It introduces our Investment Management and Research Team and the investment philosophy. Explains how we look to rebalance the funds during market volatility and provides the prevailing asset allocation of the funds to each model.
KYC and Model Portfolio Suitability Guide	Provides details on the Models, their composition and contains our KYC Matrix. Used as a suitability guide using personas as sample clients for examples of how to assign a model. APMs must adhere to this guide when dealing with clients.
Assessing Suitability Best Practice	Used to assess suitability of non-core holdings, also provides guidance on the suitability process.

To Monitor and Add Products to Our Product List, our IC does the following:

- Reviews security holdings and discusses any portfolio changes based on market conditions
- Makes investment recommendations implemented by our Investment Team
- Keeps all PMs informed of current regulations and procedures and any other information necessary in the conduct of their business
- Considers matters relating to our client portfolios and accounts including investment policies of the firm
- Documents actions taken or decisions made

Purpose and Objectives

The IC is a forum for discussion around market and economic events that may affect client portfolios.

The IC’s responsibility is to determine the tactical asset allocation, sector allocation, and geographic allocation for the funds and client accounts, with a goal to optimize risk adjusted returns. This primarily entails setting the Equity, Sector, and Geographic tolerance bands within fund and client accounts. The IC also reviews positions, risk and return metrics/characteristics, and performs due diligence on Managers and ongoing Partnerships as well as macro-economic variables. The IC has the ability to change key investment components such as securities, sectors, and geographic allocations between Canadian, US and International securities.

Membership

The Committee is chaired by the CIO, and comprised of the CIO, EVP of Corporate Development, and other key PMs and Investment Analysts. Each member has one vote, ties are broken by the CIO.

Current Voting Members

- Chief Investment Officer (CIO)
- EVP, Corporate Development
- Senior VP, Fund Management
- VP, Fund Management
- Three PMs

Meetings and Member Responsibilities

The IC typically meets once a month. The CIO can call a meeting more frequently should there be a need (significant market or economic event).

Members of the IC are responsible for presenting updates on their area of oversight with the CIO which may include a broad macro overview as well as an evaluation of the current asset allocation positioning.

Non-Core Positions

NI 31-103 and CP Part 11.5 (2), 13.3 and 14

Policy

Positions held in a client's account that are not part of an IPS will be considered "non-core positions". These positions impact performance calculations, management fee calculations, valuation, and suitability determination by our Portfolio Managers ("PM"). All non-core positions must be included in our client's portfolio statements.

As Optimize business model involves offering model client portfolios, combined with value added account services in the form of financial planning, tax and will preparation, non-core positions are the exception and should be discouraged absent a reason to maintain such positions for the client's best interests (e.g., DSC fees, tax position, employee share purchases).

This policy outlines criteria to aid in determining suitability, provides examples and types of securities that Optimize deems acceptable to be held in managed client accounts as well as outlines the frequency under which reviews and subsequent rebalances into the Optimize Model Portfolio (if necessary) will take place.

Definitions

Non-Core Positions: These are positions transferred in from another financial institution that are not part of the client IPS. On rare occasions, these positions may be client directed purchases, which require UDP, CCO, or SVP of Compliance approval. These client-directed holdings are not included in Optimize fund level performance or management fee calculations. Non-Core Positions, except for GICs or Bonds, are included in account level fee calculations. The rationale for retaining these positions is documented as part of the suitability determination conducted by the PM, documented in the client's file on the CRM and reviewed annually with the client or when a Trigger Event occurs. Consideration of tax, liquidity, concentration risk and any other consequences must be assessed by the PM to ensure the client's interests are put first. These positions are generally liquidated in an efficient and timely manner depending on each specific client circumstance.

Insider Positions: the client may be an insider of a publicly traded company with certain restrictions on when and how much they are allowed to liquidate. These positions are client-directed holdings and are not included in Optimize fund level performance or management fee calculations or account level fee calculations. These positions require the approval of the UDP, CCO, or SVP of Compliance.

Special Situation Holdings: holdings of a client in their custody account that are held for a specific purpose or specified period. This includes donations of stock or other securities to our clients that are registered charities or for tax loss selling purposes, both of which will involve holding periods of less than 60 days. Special Situation Holdings also include situations where our clients have received stocks as company stock plans or inheritances (e.g. RBC Shares or Disney Shares) which will involve unlimited holding periods. Special Situation Holdings are not included in Optimize fund level performance or management fee calculations or account level fee calculations.

Suitability of Existing Non-Core Positions

PMs are required to do a suitability determination for all Non-Core positions in accordance with our KYC and Model Suitability Guide. When dealing with client instructions on unsolicited orders or transfers into clients' accounts from other financial institutions, the PM has an obligation to assess the suitability of the position(s) and determine the appropriate course of action with the client. If a client chooses to keep an investment or proceed with a trade after the PM has informed the client that they believe the security is unsuitable, the PM must document the suitability assessment in the client file. The PM cannot simply mark the trade as "unsolicited". Advice given and action taken, such as rebalancing other portfolio holdings to compensate for the non-core position, must be documented in writing in the client's file and updated at least annually. PMs can refuse any trade instructions which they reasonably believe may endanger the client's financial welfare, and they are obliged to

counsel their clients against such a trading instruction. PMs may not accept any trading instruction that they reasonably believe endangers our firm or contravenes regulatory requirements.

Existing Non-Core Positions held within client accounts can continue to be held if all the below criteria are met, or the position has been approved to be held by the UDP, CCO, or SVP of Compliance for extenuating circumstances.

Mutual Funds

- The Fund has been converted to its non-trailer paying class so that the Account Level Fee is not charged on top of the Trailer Series/Class of the Fund
- The MER of the F-Class series of the fund is less than the management fee on available Optimize funds.
- The Fund company's Fundfacts' Risk Rating is less than 4 (out of a scale of 5).
- The Mutual Fund is not an Exempt Fund.
- The Market Value does not exceed 10% of the Total Market Value of the Account.
- The 1-year and 3-year returns are greater than the return of the 1-year and 3-year returns of the Model Portfolio assigned to the account.

Stocks

- The Market Value cannot exceed 25% of the Total Market Value of the Account.
- The Market Cap is greater than \$10 Billion.
- The Stock is traded on a public exchange in either Canada or the United States.
- The 1-year and 3-year returns are greater than the return of the 1-year and 3-year returns of the Model assigned to the account.

Fixed Income Securities

- Must be a Canadian GIC or a Bond with a Credit Rating of at least A or better.

Ongoing Monitoring of Non-Core Positions

Non-Core Positions held within client accounts which are acceptable as per this policy will be monitored on a monthly basis, as follows:

- Any of the Canadian mutual fund or equity securities which exhibit price movements either 5% greater or 5% less than the price movement of the TSX60 over the same monthly period will be reviewed by the PM.
- Any of the US mutual fund or equity securities which exhibit price movements either 5% greater or 5% less than the price movement of the Dow Jones over the same monthly period will be reviewed by the PM.

Approval

Only the UDP, CCO, or SVP of Compliance may approve Non-Core Positions in client accounts. The approval must be obtained in writing or by email. The PM is responsible to make a note in the client file on the CRM, including the date approval was received, the reason for approval or non-approval and any other information relevant to the approval.

Review & Reporting

Non-Core Positions will be reviewed at least semi-annually as part of the Compliance Risk Assessment, the overall impact and risk at the firm level will be reported to the UDP for further action if warranted. Compliance should be consulted on unusual client directions for further investigation.

Legacy Non-Core Position Action Plan

Optimize had a practice of allowing clients to transfer their accounts in kind, with the understanding that the positions would eventually be liquidated and the proceeds invested according to the client’s IPS.

For the most part this was to facilitate the smooth transition of clients who came to Optimize via our Wealth Planners. It also allowed some flexibility to clients who wanted to stage into their model portfolios.

An assessment was conducted in late 2023 by our Research Team of the Non-Core positions, where a decision was made by the Investment Committee of Optimize to no longer allow this practice.

The Non-Core Policy has come into effect, and after February 1, 2024, there is a requirement for new assets to transfer-in as cash to client accounts. Under the Policy PMs are required to:

- Assess any Non-Core Positions held by their clients prior to February 1, 2024 for continued suitability and log a note of such assessment.
- For positions no longer suitable, or which are higher risk than the client risk profile, has poor performance or has a higher cost structure, consider liquidating the positions as soon as practical.
- Ensure they have advised Compliance for positions that require additional time to liquidate and seek approval to continue holding them.
- Conduct ongoing monitoring of the positions, and logging notes in the client files of the findings.
- Have discussions with clients on the Non-Core Positions to ensure they understand the impact to their portfolio.
- Obtain pre-approval from Compliance for new assets to be transferred in kind to Optimize. [see **‘Appendix C’**]

At the same time Optimize has developed a Non-Core Position Action Plan to further support our PMs and APMs to service clients in their best interest.

Step	Item	Timeline
1.	<p>The Research Team in conjunction with the Investment Committee will conduct a review of all Non-Core Positions held within client accounts for their suitability and conformity with Optimize’s Non-Core Policy.</p> <p><u>The results</u> of the review will be broken down into two groups:</p> <p>Group 1: Non-Core Positions identified no longer suitable for the Account, Optimize will cease its monitoring of these positions.</p> <p>Group 2: Non-Core Positions identified as being suitable to remain in accounts over the next 8-16 months. We will continue at the firm level to monitor and assess them to confirm that they remain suitable for clients until there is a good strategic time to sell.</p>	Jan 19-26, 2024
2.	For the positions identified as Group 1, PMs will log notes in the client files with the results of their review of the position(s) in question and their suitability determination for why the position should be sold.	Jan 26, 2024
3.	A Letter will be sent to clients who hold positions identified in Group 1 . The letter will notify clients their specific position is not suitable for their Account as a result of our latest assessment of their non-core holdings. The letter will encourage clients to contact their PM for a discussion regarding the impacted positions, as the PM will be selling the position to invest according to the account’s assigned model portfolio, while also providing the client with the option to transfer it to another financial institution if they would like to continue holding the position. In those instances, the PM will assist where possible in helping the client transfer the position out. Clients will be provided a five week time frame with which to ask any questions	Jan 29, 2024

	and/or notify Optimize of their intentions to transfer the position out. If we do not receive a response from client, the PM will act in the best interest of client. (suitable and appropriate)	
4.	The positions identified within Group 1 , where the client has not responded to their PM, will be sold and subsequently invested according to the Account's assigned model portfolio. The PM, at their discretion, has the option to call the client prior to any action if they deem it necessary.	Feb 20, 2024
5.	A sweep of all remaining mutual funds will be done to ensure that any client Accounts with funds with available F-class versions will be switched into the F-class version.	Feb 20, 2024
6.	Positions identified within Group 2 , will be discussed with the clients during their next annual KYC update meeting, or if a Trigger Event occurs. Following the meeting, PMs will log a note in the client file explaining the suitability of the position, the planned timing around a sale, and if applicable the rationale for continuing to hold the position. (including evidence of compliance approval)	Feb 2024 and Ongoing

Portfolio Management

NI 31-103 and CP Part 13 and Part 14
OSC Staff Notice 33-723, 31-347 and 33-738
NI23-101 and CP

Actions for Portfolio Management:

- Collecting KYC information from clients
- Establishing the investment objective
- Choosing an asset mix and model portfolio
- Portfolio strategy formulation
- Portfolio strategy execution
- Portfolio monitoring and rebalancing

Account Opening Process

All client account documents and agreements, and the Investment Policy Statement (“IPS”) must be signed by the client and the PM, and approved by the CCO or their delegate prior to any investment action.

To open a new client account the following is required:

- All normal new account documentation including the Client Information Form (CIF)
- IPS including any constraints imposed by the client on investments
- The Portfolio Management Agreement
- The Wealth Planner Acknowledgement (if applicable)
- The Fee Schedule
- The Relationship Disclosure Information Form (“RDI”)
- Conflicts of Interest Brochure
- Where applicable, the roles disclosure document explaining to a client the roles of a Wealth Planner, APM and PM

The PM is responsible for the Account Opening Process and meeting the Portfolio Management requirements, this includes supervision of APMs. The PM must sign the CIF and IPS.

At each stage, the CRM system manages and documents the account opening process through use of a ticket system that requires each approval be obtained in sequence documentation, account opening or trading can move forward. Please refer to the Account Opening Procedure Document.

Non-Residents Account Opening Restrictions

A client’s residency status must be determined in all cases as our firm is not registered outside of Canada. The PM must have preliminary discussions with Compliance on any account opening requests where the potential client is not a Canadian resident. Failure to obtain preapproval to open a non-resident account may delay account opening or cause an account rejection by Compliance. Compliance will maintain (a) records of the exemption permitting the PM to advise the subject account and, (b) where applicable, document the total number of accounts in any jurisdiction where the exemption is based, in whole or in part, on advising a maximum number of accounts in that jurisdiction.

U.S. resident clients must have originally been clients of Optimize before moving the United States. In those cases, accounts may be opened for U.S. citizens, provided the client’s Social Security Number (SSN) is obtained and a W-9 form is completed in every instance, to satisfy IRS tax laws. For non-individual, U.S. accounts, the client must also complete other additional documentation. Unless approved by Compliance, PMs are not permitted to conduct business with U.S. residents through non-registered accounts.

Examples of US accounts include any estate or trust of which any executor, administrator or trustee is a US person as well as a non-discretionary account held for the benefit or account of a US resident.

Requirements for residents of other jurisdictions may vary. Please contact compliance.

In the case where Compliance has approved a non-resident account to be opened, a notice will be sent to the client stating:

- Optimize is not registered in the local jurisdiction where the client resides
- A statement of which jurisdictions we are registered in to conduct securities activities
- That all or substantially all of their assets held may be situated outside of their residency
- The client may have difficulty enforcing legal rights
- The name and address of an agent for service if we have appointed one

IPS & Fee Schedule

Every client must have a current IPS on file. An IPS is current if it was signed by the client or a previously signed version was reviewed and/or updated by the PM and acknowledged by the client within the last 12 months (during a KYC update meeting). Any KYC updates need to be reviewed and approved by Compliance. Before signing off, Compliance will compare the asset allocation mix recorded on the IPS update document against the electronic records.

We provide clients with a description of the costs they will pay in the RDI; they are also provided with Fee Schedules at account opening. Any changes to the fee structure will be communicated to clients at least 60 days prior to implementation.

Custodian charges are disclosed by NBIN to clients through documentation used to onboard clients to that custodian.

Non-Core Securities

At times, PMs may hold securities that are not part of our approved list. PMs must seek approval as set out in the Non-Core Positions Policy and maintain notes of the research they performed on such securities.

Client Borrowing or Margin

Registrants are not permitted to lend money, extend credit or provide margin to a client.

PMs are responsible for disclosing the unique risks associated with margin accounts to clients and must provide the Leverage Risk Disclosure to the client at each account opening and before any transaction involving borrowed money:

“Using borrowed money to finance the purchase of securities involves greater risk than a purchase 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.”

The CSA classifies the use of leverage as a risky investment strategy. The PM must independently perform a suitability analysis to determine whether or not the margin account or other leverage strategy is appropriate for the client. The IPS must include proper documentation to reflect the use of a margin account. See “Restriction on Risky Investment Strategies.”

Leverage may also be in the form of borrow money outside of the account for the purposes of investing (e.g., reverse mortgage, drawing down on a line of credits, etc.) Similarly, where investments outside of Optimize are taken into account for suitability purposes, the nature of any leverage on those outside investments should be determined and assessed. PMs and APMs should ensure during the KYC process to sufficiently probe for leverage or if borrowing to invest has occurred elsewhere.

Restriction on Risky Investment Strategies

The Optimize Funds are used exclusively in the portfolio management of client investment accounts. They do not use risky investment strategies such as options, cryptocurrency, derivatives, short selling, or other similar strategies. The Optimize Growth Equity Fund and the Optimize Premium Yield Fund may use leverage so long as the leverage used is below these Funds' Maximum Permitted Borrowing Amounts and are made with the primary objective to enhance the investment returns of the Funds.

Clients may not transfer-in kind positions that would be classified as risky strategies, the positions are to be liquidated at the originating securities dealer and transferred in cash.

Best Execution

Registered employees have a responsibility to act in the best interests of their clients. Best execution is the sum of those best practices, which maximize the value of a client's portfolio within the client's stated investment objectives and constraints. Accordingly, all parties involved in a client trade must act to secure the most advantageous price, fill, execution and settlement terms for the client. Registered employees generally have the following obligations:

- To ensure that the trading strategies that they implement for their clients are appropriate
- To allocate trades fairly amongst client accounts
- To act honestly, in good faith and in the best interests of the client and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances
- To seek the most favorable execution terms reasonably available given the specific circumstances of each trade

Clients are invested in the Optimize Private Client Programs using Model Portfolios composed of our pooled funds. Optimize funds do not trade intra-day. Rather Optimize funds trade weekly and at the end of day net asset value (NAV). As such, similarly situated clients receive similar investments at the same time and at the same NAV eliminating any discrepancies based on execution and market timing.

Fair Allocation Policy

Optimize must ensure fairness in allocating investment opportunities among its clients. As all clients are invested in Optimize models, which are priced and issued weekly at NAV, each client is treated in the same manner when it comes to allocation of investment opportunities.

Compliance Approval

PMs, or APMs under their supervision, are responsible for conducting day-to-day portfolio monitoring and management activities while Compliance is responsible for supervising such functions.

Compliance is also responsible for:

- The supervision of trades
- Ensuring that PMs oversee APM activities, including the review and approval of models
- Approval of new account information forms and related applicable documentation
- Review of all marketing and sales communication

Client Meetings

PMs and APMs must maintain detailed notes of each client meeting on the CRM. If a Third-Party, Wealth Planner or referral agent is present during the meeting, you will ensure that they do not perform any registrable activities. At the initial meeting, the PM is responsible to explain the roles and responsibilities of the PM, APM or WP, as applicable, to the client. Only the registered employee may perform registrable activities [see **Registration Policy**]

Client Reviews

At all times registered employees are expected to:

- Know-the-client and, at a minimum conduct an annual client meeting every 12 months or if a trigger event occurs.
- Continuously make reasonable inquiries into a client’s investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
- Determine that any (new) investment is suitable to the client’s financial situation and is consistent with the client’s written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
- Determine if a client account requires a change to the assigned Model as a result of changes to information uncovered at the annual review or during an assessment due to a trigger event.

The IC monitors the composition of the Models and is generally responsible for rebalancing the underlying funds used to construct the Models. This is done on an ongoing basis and in response to market events.

Not-with-standing the role of the IC, PMs and APMs are still responsible to ensure the client portfolios remain suitable.

Client Reporting Obligations

Optimize may choose how to meet our client reporting obligations within the framework set out in National Instrument 31-103. We can combine client statements, position cost information and client reports into one document or send them separately.

Optimize has entered into a service agreement with National Bank Independent Network (NBIN) a CIRO dealer to provide certain services. Each client's account at NBIN is opened on a fully-disclosed basis where the NBIN acting as custodian holds the client's investments in a separate account for the client and knows the client's name and address. This allows the NBIN to directly send the client a statement. NBIN executes, clears and settles trades for the client in their account based on trading instructions from Optimize. NBIN does not make any trade recommendations to the client and does not have suitability or annual account performance reporting obligations to the client; rather, these are obligations of Optimize.

As the custodian of our client and fund accounts we have engaged NBIN to provide our clients with:

- Quarterly Statements of Investment Positions, or a Monthly Statement at the client’s request
- Trade Confirmations
- Annual Investment Performance Report and Report on charges and other compensation Statements

Summary of the requirements of the service agreement for statements (set out in CSA Notice 31-347) and the manner in which Optimize supervises NBIN’s services appear in the table below:

Requirement	Details	Control
Signed agreement between NBIN and Optimize	Agreement setting out the roles and responsibilities of each party must be in place	Current version signed Jan 2023
Optimize to maintain records of clients’ investments and transactions	Section 11.5 of NI31-103 requires that PM firms have their own books and records of client positions and transaction, independent from that of any custodian used by the client to hold assets. This enables a reconciliation of the client assets to ensure they are reflected correctly and that any transactions entered by the PM are accurate.	-Maintenance of independent systems from NBIN (Ndex & OKSANA) -Monitoring and Testing forms part of the Compliance Framework - Trading and position reconciliation is performed by ops team. -Details are in the Trading and Reconciliation Platform and Process Document.

		-Client accounts are managed through Ndex and trades are processed through OKSANA
Client must be notified of arrangement	Written disclosure explaining by whom, frequency and how they will provide client reporting must be given to each client	RDI pg 4 PMA pg 2
Delivery of reports on securities held outside of NBIN	Optimize is required to deliver statements to clients of any other positions not held at the custodian Must ensure that statements are delivered to clients	Client assets must be at NBIN Statements are delivered via client portal, Optimize has access to same portal. Part of our testing is to confirm statements are uploading into portal.
Annual Reporting Requirements to Clients (CRM2 reports)	Annual Investment Performance Reports and annual reports of charges and other compensation are to be issued by Optimize under Optimize's name. 3 rd party services may be used provided there is an agreement in place and Optimize has oversight.	Enter into a separate agreement specifically for CRM2 Reporting. Current version signed July 2023. Annual Reports delivered via client portal. All non-trading inflows or outflows are processed on the books and records of NBIN. Optimize uses NDEX as an independent system to record the same transactions. A reconciliation process occurs continuously to ensure accuracy of records. For annual reporting, Ops team tests sample size for accuracy of reporting against our Ndex system.
Delivery of Confirmations	PMs are required to provide clients with a trade confirmation containing the relevant details of a trade transactions. This is not required for transactions related to a managed account, if the confirmations are delivered to the PM.	Clients are given disclosure by NBIN at onboarding that trade confirmations are being provided to their PM, and the option to receive trade confirmations is available on an ongoing basis.
Location of Assets	A PM that holds any investments for a client must prepare and deliver its own statements to the client	Optimize does not hold any investment on behalf of its clients and all investments are held at NBIN. No additional statements required

Contents of Account Statements

Investment Portfolio Statements will be delivered by NBIN via the Client Portal at least every 3 months, unless the client has requested for a monthly report, or a transaction has occurred. Clients may also opt to receive paper copies of their statements. Client preferences are collected by NBIN or Optimize at onboarding and Optimize is provided with access to copies of the clients' executed documentation.

At a minimum, Investment Portfolio Statements will contain the following information:

- The name of the PM and APM who is/are assigned to the account
- An account level portfolio summary, per account and consolidated
 - Presented by basic asset allocations
- The total market value of all cash and securities in the each account
- Per account cash flow summary and cash balance
- Per account asset details, listing securities held in the account by asset class, including

- Name of Security
- Symbol
- Quantity
- Average Unit Cost
- Book Cost*
- Market Value per Security (including any required disclosures concerning limitations in determining market value set out below)
- Total Market Value of each Security Position
- Percentage of account portfolio
- Activity/trades per account detailing
 - the date of the transaction
 - whether the transaction was a purchase, sale or transfer
 - the name of the security
 - the number of securities purchased, sold or transferred
 - the price per security if the transaction was a purchase or sale
 - the total value of the transaction if it was a purchase or sale

*Book cost means the total amount paid for a security including any relevant transactions, foreign exchange, trading costs, adjustments for distributions, return of capital, corporate action or other related costs in acquiring a security. For positions that were transferred in, it is the responsibility of the client to provide us with the information from their previous dealer, otherwise the market value of the date when the security was transferred in will be used. In such cases, NBIN will disclose in the statement that it is providing the market value of the security position as at the relevant date, instead of the cost of the security position.

The following may also be used when the book cost is not known:

Non-determinable price-this is where current market value is unavailable. For valuation purposes a zero is applied. If the market value becomes available in the future, it will be used.

Book cost at market value-indicates at time of production of statements the book cost was not available and current market value was used to estimate it.

Book cost for accounts opened prior to 2015-an average cost formula will be used in cases where the book cost cannot be verified.

Deferred sales charge-indicates security was purchased on a DSC basis, depending on the number of years it is held charges applied by the issuer until position is sold.

Accrued interest-indicates market values of fixed income securities including interest.

Estimated value-used for securities not listed on an exchange or trades infrequently where an estimated cost may exist. Does not reflect current values.

NBIN provides clear disclosure to client on the content of their Investment Portfolio Statement at onboarding and ongoing. (Including disclosure on the statements that certain assets are eligible for CIPF coverage). The statements also disclose whether any securities in the account are subject to a deferred sales charge if they are sold.

The investment positions, trades and other information that are to be included on account statements and are reported separately for each account of the client, although a client-level summary overview may be included as additional information.

Annual Reporting

Optimize delivers an annual report to clients on charges and other compensation and investment performance report, to clients with accounts opened for at least 12 months. Investment performance reports will be delivered to clients with accounts opened less than 12 months, within 24 months of the first trade. Reports will be provided

on an account-by-account basis, unless the client consents in writing and the consolidated report specifies the accounts and securities with respect to which information is required to be reported.

These reports do not need to be provided to a client that is a permitted client that is not an individual.

Nil reports will not be delivered to clients with accounts containing securities with no determinable value.

Currently there are no clients in this circumstance, should this change we will provide prior notification to client.

Report on Charges and Other Compensation in Annual Report

The annual report on charges and other compensation includes the following:

- Our current account operating charges which might be applicable to the client's account such as Administrative Fees, Transaction charges, Fee-Based Services, and Taxes
- The total amount of each type of account operating charge related to the client's account paid by the client during the period covered by the report, and the total amount of those charges
- The total amount of each type of transaction charge related to the purchase or sale of securities paid by the client during the period covered by the report, and the total amount of those charges
- If we purchased or sold debt securities for the client during the period covered by the report, either of the following:
 - the total amount of any mark-ups, mark-downs, commissions or other service charges we applied on the purchases or sales of debt securities
 - the total amount of any commissions charged to the client by our firm on the purchases or sales of debt securities and, if applied mark-ups, mark-downs or any service charges other than commissions on the purchases or sales of debt securities, the following notification or a notification that is substantially similar:

“For debt securities purchased or sold for you during the period covered by this report, dealer firm remuneration was added to the price you paid (in the case of a purchase) or deducted from the price you received (in the case of a sale). This amount was in addition to any commissions you were charged.”

- the total amount of each type of payment, other than a trailing commission, that is made to the firm or any of its registered employees by a securities issuer or another registrant in relation to registerable services to the client during the period covered by the report, accompanied by an explanation of each type of payment
- if we received trailing commissions related to securities owned by the client during the period covered by the report, the total amount received will be reported, along with the following notification or a notification that is substantially similar:

Optimize does not hold debt positions for clients, other than as underlying positions of the Optimize funds. In the event that a debt security is approved as a non-core investment, no remuneration will be added to the price or deducted from the proceeds by Optimize.

“Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. But, these fees affect you because they reduce the amount of the fund's return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund.”

Optimize model portfolios do not pay trailing fees. Where a non-core position is transferred in is in a class of fund that pays a trailing fee it should be converted to its non-trailer paying class where possible. Where there is no non-trailer paying class or the client would incur further fees or taxes in converting to a non-trailer paying class, any trailers shall be retained by the firm to avoid conflicts of interest in the PM and APM's recommendations or investment decisions concerning these positions.

Security Position Cost Information

Optimize portfolios are priced at NAV on the market closing value on the date of issuance presented on an average cost per unit basis. Non-core positions are valued by NBIN in accordance with their policies and procedures, generally at NAV or on a marked-to-market basis.

Investment Performance Report

The annual investment performance report includes a money-weighted rate of return calculation for the 1-year, 3-year, 5-year, 10-year and since inception performance, in accordance with Section 14.19 of NI 31-103. Please see Appendix C for a sample report on the required contents. For accounts opened prior to July 15, 2015, Optimize elected to present market value of all cash and securities in

a client account using January 1, 2016 as the inception date for the 2016 calendar year (14.19(1.1)(c)).

We provide clients with both Time Weighted Rate of Return and Money Weighted Rate of Return, to provide a comparison between cumulative investment returns and the effects of the timing of deposits and withdrawals.

An explanation of the different calculations is provided to the client on the Investment Performance Report.

Appendix D provides an example to help understand the difference between these two performance measurements.

<p><u>Formula for Time Weighted Rate of Return</u> $TWRR = [(1+R1)] \times (1+R2) \times \dots \times (1+RN) - 1$ RN = the portfolio's total returns during a sub period N = the number of sub-period returns</p>	<p><u>The Dollar Weighted Rate of Return</u> is defined as the discount rate where the sum of the discounted cash flows are equal to zero or solve for r in the equation: $0 = \text{cash flow year 0} + (\text{cash flow year 1}/(1+r)) + (\text{cash flow year 2}/(1+r)^2) + (\text{cash flow year 3}/(1+r)^3) \dots (\text{cash flow year n}/(1+r)^n)$</p>
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Benchmarks

We may provide clients with information about certain benchmarks, which clients can use to assess the performance of their client portfolios. Benchmarks are various publicly available indices of unmanaged stocks and/or bonds that are general representations of the corresponding capital markets. We may compare the performance of client portfolios to applicable benchmarks.

When we provide a client with information about a benchmark, the benchmark provided must be relevant to the client portfolio; that is, the benchmark must allow for an appropriate comparison between the performance of the client portfolio and that of the benchmark index. In some cases, benchmark information may be provided to clients or prospective clients for illustrative purposes; for instance, to illustrate the effect rising or falling interest rates may have on portfolios with varying levels of equities and fixed income assets with adequate disclosure.

Contacting Us

Client are encouraged to contact their PM or Compliance directly with questions about their statements and reports – this information is available in the RDI, on statements and [on our website](#).

Vacations or Leaves of Absence

Each PM is responsible to communicate to Compliance or the supporting PM all relevant details pertaining to the period they will be unable to service clients and any expected activity within that period which the APM, if applicable, is not able to process.

To ensure client requests are managed effectively when a PM is away from the office (vacation, leave, etc.) the PM shall assign a supporting PM to manage any client inquiries related to trading, account holdings or other registration-specific activities which the APM, if applicable, is not able to process.

Account Closings and Letters of Termination

We provide clients with at least 60 days written notice prior to terminating their accounts. The client must revoke our trading authorization by providing written notice to us which can be a duly executed transfer out form relating to their entire accounts' positions.

If the client sends the notice of termination to the PM or Compliance directly, the notice must be relayed to the Operations team for handling.

Optimize will continue to provide portfolio management services to a client account after the notification period has been effected up to and until the account assets have been transferred.

Client Complaint Handling Policy

NI 31-103 and CP 13.15, 13.16

Our reputation is our most important asset. We provide our clients with excellent service and engage with them with integrity and honesty. The best way to avoid client complaints is to have a high degree of client satisfaction. Despite our best efforts, client complaints may arise. We endeavour to treat all client complaints in a manner that a reasonable investor would consider fair and effective.

Employees should never attempt to conceal a complaint or personally compensate anyone for any losses. Forms of compensation include monetary, reduction of fees or any other forms that would be considered a benefit to the client.

Responsibilities

Responsibilities of the CCO, UDP & Designated Complaints Officer (DCO)

- The DCO has overall responsibility for client complaints including intake, investigation, resolutions, reporting, and to make recommendations about products, services and the compliance program.
- The DCO maintains complaints procedures, a complaint log, trains staff annually about complaints-handling, and hires staff with professional backgrounds who understand and can manage complaints.
- The CCO is the DCO for the firm and the escalation point for all complaints.
- The CCO will escalate complaints to the UDP, who has the decision-making authority to resolve complaints.

Types of Client Complaints

Client complaints fall into two categories: service complaints and regulatory complaints.

Service Complaints

Service complaints are administrative or operational complaints by clients based on the customer service received. They are not subject to any laws or regulations concerning securities or exchange contracts of any jurisdiction, inside or outside of Canada.

A service complaint might include:

- Late delivery of account statements;
- Inadvertent or minor errors in documentation; or
- Failure to promptly return phone calls.

Service complaints must be reported to the CCO. The CCO will determine whether the service complaint can be resolved directly and expeditiously or whether it requires further consideration. The CCO may determine that no investigation or supervisory intervention is required, apart from logging the complaint and recording its outcome, or they may submit the matter to the same procedure as for regulatory complaints set out below.

The CCO is responsible for maintaining a log of service complaints and how they are dealt with.

Regulatory Complaints

Regulatory complaints can be made in writing, such as a letter or electronic communication, or through a verbal expression of dissatisfaction with us, the firm, or any representative of the firm. If a complaint is made verbally and is not clearly expressed, Compliance may request the complainant to put the complaint in writing. Unless the verbal complaint is clearly frivolous, Optimize may offer the Client assistance to put the complaint in writing. The firm may nonetheless ask the complainant to put the complaint in writing on his or her own.

These complaints may allege regulatory misconduct about the handling of the client's account, or their relationship with the firm. Regulatory complaints include a breach of any securities or financial services law, regulation or policy inside or outside Canada.

Regulatory complaints include allegations of misconduct, such as:

- Any complaint regarding a trading or advising activity;
- Breach of client confidentiality;
- Sales practices contrary to regulations;
- Serious breach of investment objectives, restrictions or guidelines;
- Serious documentation errors;
- Theft, fraud, misappropriation, misrepresentation;
- Unauthorized trading or unauthorized transactions;
- Forgery or signature falsification;
- An undisclosed or prohibited conflict of interest;
- Engaging in an outside securities-related business;
- Engaging in an outside, undeclared, occupation;
- Personal financial dealings with a client;
- Money laundering;
- Market manipulation; or
- Insider trading.

This list is not exhaustive. It can include any action that breaches the Ethics Program, our Employee Trading Policy or any other aspect of Optimize Policies.

Procedure

All complaints must be handled using the Complaint Handling Checklist [see '[Appendix B](#)']

Intake & Acknowledge

A registered employee must report to the firm when they receive a complaint within 2 business days. All complaints should be forwarded to the CCO upon receipt at loretta.carbonelli@optimize.ca.

When a service complaint or a regulatory complaint is received from the client, PMs or another source, a file is opened and recorded in the "Complaint Log". The complaint file can include the following documentation and this list is not exhaustive:

- The written complaint or notes taken of the verbal complaint
- Relevant account information, documentation, statements
- Statements made by employees and the PM, clients or witnesses
- Copies of, correspondence, emails, or messages between the client, employees or others
- Paper or electronic records, other documentation, including marketing materials
- Documented outcome and proposed solutions
- Analysis of the facts and the outcome

The client complaint is acknowledged as soon as possible, or alternatively within 5 business days of receipt of the complaint by the client receiving an Acknowledgment Letter.

The Acknowledgment Letter includes:

- That the complaint has been received and is being investigated, and provides a general description of the complaint and a general description of the investigation procedure, including our commitment wherever possible, to conclude internal reviews within 90 days
- That if the outcome of the investigation is unsatisfactory to the complainant, or it is not resolved within 90 days, we will make available to them, at our expense, an alternative dispute resolution service available through OBSI, together with a description of how that service may be contacted. Complainants

have the right at our expense to refer their complaint to the Ombudsman For Banking Services and Investments (OBSI)

- If the complainant is from Quebec you should advise the client that they have the right to file their complaint with the AMF and/or request that their file be transferred to the AMF
- That the complainant may be contacted again requesting any further information within 30 days of the acknowledgment

Clients are provided with the RDI at the time of account opening which includes our Complaint Handling Policy.

Seniors and Vulnerable Clients Complaints Management

Be mindful of the difficulties that procedures may pose for older or vulnerable clients. These clients may find the process daunting and could be more inclined to give up on a legitimate complaint if the process is overly complex. Employees should assist the client with any difficulties or issues when a complaint has been brought to their attention.

Investigate

An investigation can vary based on the type of client complaint we receive. For example, at times, it may be necessary to engage external legal counsel or industry consultants.

We correspond with the client and the employee or registered employee about the complaint throughout the complaint investigation process and there is continuous disclosure to clients on the complaints process.

The CCO reviews the complaint, conducts the appropriate investigation, interviews any employees involved and reviews relevant documentation. Additional information may be requested from the complainant or the employee. The CCO may obtain advice where appropriate.

Internal Investigations

A complaint may require an internal investigation if we suspect a violation of any securities laws, regulations, firm policies or Regulator policies or misconduct. The CCO and legal counsel will determine if an investigation is warranted and both will be engaged in the internal investigations. Employees must cooperate completely with any investigation.

Obligation to Cooperate

Employees (registered or otherwise) are obliged to cooperate with any and all internal investigation or independent dispute resolution processes. Failure to cooperate may lead to disciplinary action, up to and including termination.

Internal Discipline

If an employee is found to be engaged in any of the above listed activities, disciplinary action may be taken including termination. Discipline can include a reprimand, suspension, monetary fine, new training or re-writing exams, or any other action considered appropriate by the CCO, UDP, the Board, Senior Management, or HR.

All internal disciplinary actions must be approved by the UDP.

Respond

Once we complete our investigation, the CCO will provide a substantive response to the client as soon as possible, within 90 days containing:

- A summary of the complaint
- The results of the investigation
- The final decision on the complaint with explanation
- If the 90-day timeline cannot be met, the reason why and a new timeline
- Notice that the client may request that OBSI, or where applicable, the AMF review the decision

All correspondence with clients must be clear and easily understood.

Escalation to the Ombudsman for Investments (“OBSI”)

OBSI is a free, independent service to resolve investment disputes between us and our clients. OBSI conducts an impartial and informal review if:

- We did not provide the customer with a response in 90 days; or
- The client is not satisfied with our final decision

The client has up to 180 days after receiving our response to contact OBSI. OBSI can recommend compensation of up to \$350,000. If either the client or the firm does not agree with OBSI’s recommendation, they can seek Arbitration.

We provide the client with information about our complaint handling process in the RDI and the process for escalating their complaint if they are not satisfied with the outcome which includes escalating the complaint to OBSI.

Clients in Quebec

The *Québec Securities Act* includes requirements with respect to dispute resolution or mediation services that are different than those that apply in the rest of Canada. In Québec, Optimize must inform each complainant, in writing and without delay, that if the complainant is dissatisfied with how the complaint is handled or with the outcome, they may request the registrant to forward a copy of the complaint file to the Autorité des marchés financiers (AMF). The registrant must forward a copy of the complaint file to the AMF, which will examine the complaint and may act as a mediator if it considers it appropriate to do so and the parties agree.

Resolutions

Settlement Agreements

If a settlement offer will be made to the client, it must first be reviewed and approved by the UDP. Only the UDP has the power to settle a complaint other than service complaints. You, must not, without prior written consent from the UDP, enter or attempt to enter into a settlement agreement with a client.

Clients may be required to sign a release upon acceptance of any settlement and internal legal counsel must be consulted in those cases.

Our settlement agreement contains confidentiality clauses, **but** a client may still escalate their complaints to the regulators, OBSI or apply to a court for consideration of the matters in issue.

Arbitration

We do our best to resolve client complaints. At our expense, we provide the client with the opportunity to engage in Arbitration. Arbitration is an alternative dispute resolution process where a qualified arbitrator hears both sides and makes a final, legally binding decision. We must participate in arbitration if the client chooses this option. Both parties are bound by the decision of the arbitrator who can award up to \$500,000 plus legal costs. Clients can engage a lawyer for the arbitration process at their own expense.

OBSI refers certain types of complaints to an arbitration process. Detailed information on the OBSI program can be found on their [website](#).

Courts

Clients may also choose to resolve their matter in court. There is no limit to the amount of compensation a client can receive through a legal action. If you receive a Statement of Claim, a Notice of Action or another pleadings, advise the CCO or the UDP immediately.

Oversight and Reporting

Reporting to the UDP and Board

The results of all complaints will be communicated to the UDP, and the Board, where applicable. The CCO reports may include:

- A summary of the investigation
- If there are no grounds for the complaint, the reasons for this conclusion
- Responsibility for the complaint whether it be the employee, process, Third-Party, client, or a combination of the above
- Any employee disciplinary action or termination
- Recommendations including further education, or amendments of policy or processes

At least annually, the CCO reports to the Board about complaints, trends and patterns of frequent or repetitive complaints, and the results of an analysis of client complaints for the previous year. Compliance also monitors complaints to identify frequent and repetitive complaints made with respect to the same matter which may, on a cumulative basis, indicate a serious problem on an ongoing basis and will report any issues to the UDP on an interim basis.

Reporting Requirement for Individual Registrants

Should you become aware any of the following, you must report it to the CCO immediately.

- Changes to any information contained on your registration form;
- If you have contravened any laws, legislations, by-laws, rules or anything that may compromise your professional licensing in any jurisdiction in or outside of Canada; and
- If you become aware of a complaint against you alleging theft, fraud, market manipulation or other serious allegations against you;

Optimize is required to report to the appropriate regulator any changes to the Uniform Application for Registration of Form 33-109F4 whenever there is any change to the information contained in those documents. A submission on NRD will be required by the CCO or the delegate.

Our Reporting Requirements

We notify our regulator:

- Whenever our firm or any current or former registrant is charged with, convicted of, pleads guilty or no contest to, any criminal offence, in any jurisdiction, inside or outside of Canada, while employed, or concerning matters that occurred while employed by us.
- Whenever our firm, or a current or former registrant, is:
 - Named as a defendant or respondent in, or is the subject of, any proceeding or disciplinary action alleging contravention of any legislation or law concerning securities or exchange contracts, of any jurisdiction, inside or outside of Canada, while employed by us
 - Named as a defendant or respondent in, or is the subject of, any proceeding or disciplinary action alleging contravention of the by-laws, regulations, rules, rulings or policies of any regulatory or SRO, professional licensing or registration body in any jurisdiction, inside or outside of Canada, while employed, or concerning matters while employed by us
 - Denied registration or a license by any regulatory or SRO, professional licensing or registration body, in any jurisdiction, inside or outside of Canada, while employed by us
- When a registered employee receives:
 - A suspension, termination, demotion or impositions of trading restrictions following an internal investigation
 - Internal disciplinary action, involving the withholding of commissions or imposition of fines in excess of \$5,000 for a single matter, \$15,000 cumulatively for a one calendar year period or

where a commission has been withheld or fines imposed three or more times during one calendar year period

Reporting to the AMF (Quebec)

We report to the AMF twice a year:

- No later than July 30, for data collected between January 1 and June 30;
- No later than January 30, for data collected between July 1 and December 31.

Recommendations

Through the complaints review process and our analysis of trends and patterns, to mitigate complaints and remediate issues or potential issues, the CCO can recommend education, training, amending policies or procedures, or provide recommendations about products, services or monitoring and testing.

If a complaint is justified, internal procedures and methods will be reviewed and modifications will be recommended by the CCO to the UDP or the Board, who will make the final decision.

Retention of Documentation

Documentation will be maintained for a minimum of 2 years on site (7 years off site) and will be made available to regulators upon request.

Appendix B is a sample Complaints Handling Checklist

Appendix A

Vulnerable Clients

Reporting Form: Suspected Client Financial Exploitation

Financial abuse refers to any conduct done with or without the informed consent of the client, that results in a monetary or personal gain for the perpetrator and/or personal loss to, theft from or exploitation of the client.

Date

Name of Optimize Employee/agent	
Client Name	
Client Account number	
Date Account First Opened	
Dates of Suspected Exploitation	
Description of Events: Name of individuals involved, include name of suspected abuser (if known)	
Facts	
Observation of client behaviour or action (if out of the ordinary)	
Steps taken	
Do we need to put a temporary hold on the account, a transaction or release of funds? Any other action deemed necessary (do we need to contact the authorities or legal counsel)	
Attach relevant documents	

Submit completed form and relevant documents to Compliance: Compliance@optimize.ca

Appendix B

Complaints Handling Checklist

Client Information		
Name		
Account Number		
Address		
PM/APM Name		
WP Name (if applicable)		
Description of complaint		
Investigation and Collection of Information		
Action item	Due Date	Status
Letter to client		
Collect Client Documentation		
Review PM/APM notes		
Review Transactions/statements		
Review Letter or emails sent to client		
Notify UDP, Legal Counsel		
Investigation and Collection of Information		
Action Item	Due Date	Progress
30 day-send update to client		
Board Report		
OBSI Complaint Handling process		
Conclusion/Result		

Appendix C

Non-Core Transfer in Kind Request Form (complete one per security)

Client information	
Name of PM	Name of WP
Client Name:	
Type of Accounts:	
Name of security	Type
Details for Exemption	
Description of security:	
Reason for request: tax implication, insider, blackout period, illiquid, hold period/restriction, DSC fees	
Staging strategy:	
Example: as an insider only can sell 4 times a year. To be liquidated March, June and July and invested in the Growth model	

Appendix D

Sample Investment Performance Report

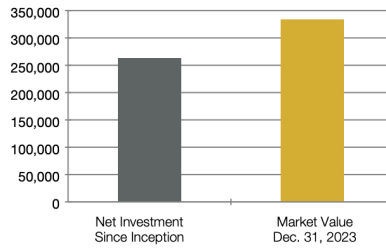


Investment Performance Report As of December 31, 2023

This report provides you with the annual performance of your account since inception. Inception date is the later of January 1st, 2016 or the first transaction date in your account should it have been opened after January 1st 2016. This information will help you assess your progress toward meeting your investment goals. Speak to your Portfolio Manager if you have questions about this report.

CAD Registered Retirement Savings Plan (RRSP) I

	Since Inception (\$)	2023 (\$)
Opening Market Value	0.00	292,115.73
Deposits	262,504.41	2,160.00
Withdrawals	0.00	0.00
Change in Market Value	70,802.75	39,031.43
Closing Market Value	333,307.16	333,307.16



- (1) All dollar amounts shown in this report are in the currency of the account.
- (2) Where we have not been able to accurately determine a market value for a security in your account, it was assigned a value of zero in calculating your account performance. This may positively or negatively affect account performance if a price was assigned or removed during the year.
- (3) "Net Investment Since Inception" is the market value at the inception date, plus all deposits and minus all withdrawals since that date.
- (4) This report is intended as a reference and should not be relied upon for tax or accounting purposes.
- (5) All performance calculations provided in this report are net of fees and charges. Where fees and charges have been paid from a different account, the performance in the charged account may be decreased.

Time Weighted Rate of Return (TWRR)

1 Year	3 Years	5 Years	10 Years	Since Inception
13.29%	5.10%	N/A	N/A	7.70%

Money Weighted Rate of Return (MWRR)

1 Year	3 Years	5 Years	10 Years	Since Inception
13.29%	5.10%	N/A	N/A	7.67%

"TWRR" calculations measure the performance of all cash and securities in your account over time. The results of this performance calculation isolates the investment decisions made within your account and is independent of the timing of deposits and withdrawals which are not under the control of your Portfolio Manager. Therefore your account's TWRR can be compared against a relevant benchmark for you to assess your performance. "Total percentage return" as shown above using TWRR method, means the cumulative realized and unrealized gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage.

"MWRR" is the calculation method used to measure the performance experienced by the investor. The rate of return displayed above is influenced by the timing of deposits and withdrawals from your account. MWRR takes into consideration not only the amount of the cash flow but also the timing of the cash flow. This provides you a picture of how your account is performing in light of decisions you have made to deposit or withdraw funds over a set period. MWRR should not be compared to a benchmark as they are not calculated the same way. "Total percentage return" as shown above using MWRR method, means the cumulative realized and unrealized gains and losses of an investment, plus income from the investment, over a specified period of time, expressed as a percentage.

Appendix E

Time Weighted Rates of Return Versus Dollar Weighted Rates of Return

In keeping with the Client Relationship Model (CRM II), OWM reports Dollar Weighted Rates of Return (DWRR) in addition to Time Weighted Rates of Return (TWRR). It is important to understand the differences between these two performance measurement methods for investors to interpret their results. The best way to understand the difference is by way of example.

Money weighted returns will equal dollar weighted returns for a single period where any cash flows are at the end of the period. In the following example the DWRR for each period would equal the TWRR, but over the three years there is a difference. Since deposits and withdrawals are outside of investment manager control, the TWRR is the industry standard for comparing investment manager performance as it is not sensitive to large account contributions and withdrawals. However, the DWRR is a better reflection of the return on an account as it adjusts for client cash flows.

Also note, that there is no consistency in the two numbers – TWRR can be greater or less than DWRR since DWRR depends on the level of cash flows in the period.

Time Weighted Rates of Return (Current)

The Time Weighted Rate of Return (TWRR) is defined as the geometric mean of the holding period returns compounded over time.

For example: Suppose an account starts with a \$1000 contribution on the 31st December 2012. Another \$1000 is contributed at the end of 2013 and \$3000 is withdrawn from the account on December 31, 2015.

The cash flows look like this and the market value each year is as follows:

		Cash Flow	Market Value
	31-Dec-12	\$ 1,000.00	\$ 1,000.00
Year 1	31-Dec-13	\$ 1,000.00	\$ 2,000.00
Year 2	31-Dec-14	\$ -	\$ 2,500.00
Year 3	31-Dec-15	\$ (3,000.00)	\$ -

The return is calculated by breaking it down into three separate holding period returns calculated for each year where:

Period return = ((Market value year end – cash flow)-Market Value beginning year)/Market Value beginning year.

Year 1: $((\$2000-\$1000)-\$1000)/\$1000 = 0\%$

Year 2: $((\$2500-\$0)-\$2000)/\$2000 = 25\%$

Year 3: $((\$0+\$3000)-\$2500)/\$2500 = 20\%$

To determine the TWRR for the 3 year period:

$TWRR = (((1+0)*(1+.25)*(1+0.20))^{(1/3)})-1 = 14.5\%$

Dollar Weighted Rates of Return (first introduced in 2017)

The Dollar Weighted Rate of Return (DWRR) is defined as the discount rate where the sum of the discounted cash flows are equal to zero or solve for r in the equation:

$$0 = \text{cash flow year 0} + (\text{cash flow year 1}/(1+r)) + (\text{cash flow year 2}/(1+r)^2) + (\text{cash flow year 3}/(1+r)^3)$$

The DWRR tends to place a greater weight on the performance when the account balance is the highest (hence the name dollar weighted or money weighted).

Solving for “r” in the following formula gives a DWRR for the 3 years of 17.5%

$$\$1000 + (\$1000/(1+r)) + (0/(1+r)^2) + ((-3000)/(1+r)^3) = 0$$

DWRR = 17.5%