New Account Application Form

(NAAF/KYC)

WFG SECURITIES INC

A Transamerica Company

CANADIAN INVESTMENT REGULATORY ORGANIZATION

Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. Canadian Investment Regulatory Organization (CIRO) Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, which, in most cases, is within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact CIRO, which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. CIRO investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to CIRO at any time, whether or not you have complained to your mutual fund dealer. CIRO can be contacted by:
  - Filling out their secure form online (preferable)
  - Completing the downloadable form (pdf) and mailing it to 40 Temperance Street, Suite 2600, Toronto, ON, M5H 0B4
  - Fax at 1-888-497-6172

You can also contact CIRO by telephone at 1-877-442-4322 for any questions you may have on making a complaint.

Compensation

CIRO does not order compensation or restitution to clients of Members. CIRO exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (OBSI): After the dealer's Compliance Department has responded to your complaint and you are not satisfied with the response, you may contact OBSI. You may also contact OBSI if the dealer's Compliance Department has not responded within 90 days of the date you complained. Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer's response. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to $350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted by:
  - Calling in Toronto, (416) 287-2877 or toll free, 1-888-451-4519
  - Email at ombudsman@obsi.ca
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:
  - Manitoba: Province of Manitoba | msc - Securities Complaints
  - New Brunswick: www.nbsc-cvmnb.ca
  - Saskatchewan: www.fcaa.gov.sk.ca
- Québec: If you are not satisfied with the outcome or with the examination of a complaint, the *Autorité des marchés financiers* (AMF) can examine your complaint and may provide dispute resolution services. If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you are eligible to submit a claim to the *Fonds d'indemnisation des services financiers* (Financial Services Compensation Fund). An indemnity of up to $200,000 can be payable through monies accumulated in the fund for an eligible claim.
  - For more information:
    1. Contact the AMF by telephone at (418) 525-0337 (in Québec), or toll free at 1-877-525-0337
    2. Visit www.lautorite.qc.ca

WFG SECURITIES INC. COMPLAINT HANDLING PROCEDURES

WFG Securities Inc. has procedures in place to handle any written or verbal complaints received from clients in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients or clients who have filed a complaint and is available on our website at www.worldfinancialgroup.com.

We provide clients who make a complaint a **Client Complaint Information Form (CCIF)**, which provides general information about their options for making a complaint.

How to File a Complaint with WFG Securities Inc.

Clients wishing to file a complaint with WFG Securities Inc. may make their complaint to our home office by contacting our Compliance Department, or any Branch Manager and/or WFGS Representative. All complaints are forwarded to a qualified Compliance Analyst for handling. We encourage clients to make their complaint in writing, or by email[1], when possible. If clients have difficulty putting their complaint in writing, they should advise us so that we can provide assistance. For confidentiality reasons, we will only work with the client or another individual who has the client's express written authorization to work with us.

Complaint Handling Procedures

We will acknowledge receipt of complaints promptly, generally within five business days. We review all complaints fairly, taking into account all relevant documents and statements obtained from the client, our records, our WFGS Mutual Fund Representative, other staff members and any other relevant source. Once our review is complete, we provide clients with our response in writing. Our response may be an offer to resolve your complaint, a denial of the complaint with reasons, or another appropriate response. Where the complaint relates to certain serious allegations[2], our initial acknowledgment will include copies of this summary and the CCIF. Our response will summarize your complaint, our findings and will contain a reminder about your options with the Ombudsman for Banking Services and Investments (OBSI).

We will generally provide our response within ninety days, unless we are waiting for additional information from you, or the case is novel or very complicated. We will respond to communications you send us after the date of our response to the extent necessary to implement a resolution or to address any new issues or information you provide.

Settlements

If we offer you a financial settlement, we may ask you to sign a release and waiver for legal reasons.

Contacting WFGS

Clients may contact us at any time to provide further information or to inquire as to the status of their complaint by contacting the individual handling their complaint or by contacting our Compliance Department.

Compliance Department
WFG Securities Inc.
5000 Yonge Street, Suite 800
Toronto, ON M2N 7E9
Phone: 416-225-2121
Fax: 1-844-749-2727

Dealer Compensation Disclosure Statement

WFGS is an independent mutual fund dealer authorized to solicit and place purchase orders for mutual fund securities, sponsored by many different fund organizations. In performing its services on your behalf, WFGS may be eligible to receive compensation from one or more sources in the form of commissions and may earn an ongoing commission (trailer fees, front-end sales charge, dealer service fees, and/or fee-based investments) for as long as you hold the investment. Please be aware that there may be other fees or costs charged by the product manufacturer (like early redemption fees, management fees, and expenses or other on-going fees depending on the investment product). WFGS provides detailed information of the charges and fees in the annual statement. Your Representative will provide you a complete explanation of the compensation he or she will receive if you buy securities of a particular mutual fund. The Fund Facts documents can be reviewed for all applicable fees and charges. Investment returns can be negatively impacted by many things, including investment fund management expense fees, other ongoing fees, or operating charges, including their compounding effect over time.

Description of fees:

- **Trailing commissions:** an ongoing commission received from the mutual fund company for services and advice provided by your Representative and WFGS. Trailing Commissions are paid out of the mutual fund's management fee. The mutual fund company pays this commission for as long as you hold the mutual fund, and the rate depends on your sales charge option.

1 Clients who choose to communicate by email should be aware of possible confidentiality issues regarding internet communications.
2 As defined in the Policies of the Canadian Investment Regulatory Organization of which WFGS is a Member.

- **Front-End Sales Charge:** A type of commission or sales charge paid directly by you to the mutual fund company at the time of the initial purchase of an investment.
- **Management fee:** A fee which compensates the mutual fund manager for making investment decisions, conducting research, and performing administrative duties related to the mutual fund. The management fee is paid by the mutual fund.

Fee Based

Fee Based accounts are investment accounts where an investor pays a fee to their advisor for services pertaining to the account and are maintained and operated by the applicable fund company, not by WFGS. Fees are negotiated with your advisor and the fees are paid directly by the client for advisory services provided. You pay fees on a monthly or quarterly basis which are calculated as a percentage of the value of assets in your account, regardless of the number of trades you make. These fees are paid to WFGS and your Advisor. A Fee For Service Agreement (FFS) must first be signed indicating the percentage of fees to be paid.

VULNERABLE CLIENTS AND TEMPORARY HOLDS

Vulnerable Clients

As per applicable securities law, vulnerable clients are those clients that may have an illness, impairment, disability or aging-process limitation that places the client at risk of financial exploitation. WFGS is committed to protecting the integrity of vulnerable client accounts through multiple measures, including:

- Enhanced "Know Your Client (KYC)" information collection measures,
- The request to designate a "trusted contact person" in connection with client accounts,
- Enhanced disclosures relating to WFGS conflicts of interest that are resolved in the best interests of the client, as well as enhanced product offering details, and
- The use of "temporary holds" when it is suspected that a client's account is the object of financial exploitation or is otherwise at risk of being compromised.

Temporary Holds

"Temporary Holds" may be used by WFGS as a way to protect the integrity of your account(s), especially if you fall into the definition of being "vulnerable" as defined under the applicable law. For clarity, temporary holds are ones that are placed on the purchase or sale of a security on behalf of you, or on a withdrawal or transfer of cash or securities from your account(s) Temporary holds are intended to be specific to certain transactions, and not blanket account freezes. Temporary holds will only be placed in situations where WFGS reasonably believes that a client is a) a vulnerable client, and b) financial exploitation of the client has occurred, is occurring, has been attempted or is presently being attempted. WFGS may also place a temporary hold on your account if it is reasonably believed that you lacks mental capacity to make decisions involving financial matters.

If WFGS places a temporary hold on your account, we will also:

- Document the reasons for such a hold and its need for continued application,
- Provide notice to you and/or your TCP of the temporary hold as soon as is practicable after it has been imposed,
- Review all relevant facts related to the circumstances giving rise to the temporary hold on a reasonably frequent basis to determine the ongoing need to have it in place, and,
- At any rate, within 30 days of placing the temporary hold, and, until the temporary hold is revoked, within every subsequent 30-day period, either:
  - Revoke the temporary hold, or
  - Provide the client with notice of WFGS's decision to continue the temporary hold, along with all applicable reasoning for such a decision.

WFGS will always comply with applicable securities law in enacting temporary holds on client accounts.

Responsibility

I/We will not hold WFG Securities Inc. liable for any loss or any failure to obtain any profit that is caused directly or indirectly by government restrictions; exchange or market rulings, suspension of trading or unavailability of any electronic service to allow for maintenance, updates or other reasonable cause; wars, strikes, environmental disasters, pandemics, or other conditions beyond its control; or any errors or omissions in connection with or in the handling of orders relating to the purchase, sale, execution or expiration of any trades or any related matter, unless WFGS was grossly negligent.

Dual License Disclosure Statement

I/we acknowledge that WFGS Mutual Fund Representatives may also be licensed as Insurance Agents that conduct insurance business through World Financial Group Insurance Agency of Canada Inc. (WFGIAC). In addition, your representative may conduct other business activities that are classified as being an outside business activity (OBA). Your representative will provide a separate disclosure to you in regards to these activities that are outside of WFGS and/or WFGIAC.

Your Personal Information

WFG Securities Inc. (WFGS, we, or us) is committed to protecting the privacy of all client personal information that is being collected, used and disclosed in the course of carrying out business with you. Upon receipt of this application, WFGS will establish a file in which will be placed personal information about you concerning (a) this application, (b) any other form, application, authorization, trade ticket or other document you complete in relation to this application or to your investment account with us, and (c) other documents or information relating to the servicing and administration of this application or your investment account with us. We collect personal information about you from this application and any supplementary forms, and from our representatives. We collect and use your personal information for the purposes of assessing and implementing your investment objectives and instructions, providing you with investment advice, servicing and administering this application and your investment account with us, and for such other purposes as are outlined in this application. Your information may be disclosed to your dealer representative for the purposes identified above. WFGS has contracted with Investia Financial Services Inc. to provide for the back office processing of client transactions. Your Social Insurance Number will be used for income reporting purposes. Your banking information will be disclosed to the financial institution(s) processing your investment deposits and withdrawals. You represent and warrant that you are authorizing to provide personal information to a referring third party as requested in this application.

From time to time WFGS may use your personal information to determine which other financial or insurance products and services may meet your needs and to offer them to you. Your consent for this use of your personal information is optional. If you do not wish your personal information to be used for this optional purpose, please make the appropriate selection on the front of this form.

Employees or authorized representatives of WFGS who will be responsible for functions relevant to the purposes identified above, and other persons authorized by you or by law, will have access to the personal information contained in your file. Subject to exceptions set out in applicable legislation, you may access your file and request corrections to your personal information by sending a written request to WFGS, Attn: Privacy Officer, 5000 Yonge Street, Suite 800, Toronto, ON M2N 7E9. By completing and signing this application, you acknowledge and agree that you have provided personal and financial information that is true and accurate and you consent to the collection, use and disclosure of your personal information as described herein or at the time of collection, and as required or permitted by law.

Nature of the Advisory Relationship

The client is responsible for making investment decisions but can rely on the advice given by their WFGS Mutual Fund Representative. The Representative is responsible for the advice and ensuring that it is suitable based on the client's investment needs and objectives.

Procedure Regarding Handling of Cash and Cheques

WFGS does not accept cash from clients for the purchase of mutual fund products or services. All client purchases should be by cheque, with the cheque made payable to: "WFG Securities Inc. In Trust." Clients must never make cheques payable to their Representative and Representatives must always refuse to accept cash or cheques made payable to themselves.

Suitability of Orders Accepted/Recommendations Made

WFGS is required under securities legislation and Canadian Investment Regulatory Organization (CIRO) Rules to ensure that each recommendation made is suitable for you in relation to your investment objectives, risk tolerance, and other personal circumstances. WFGS has an obligation to make a suitability determination of all trades, whether a recommendation is made by your Representative or not. WFGS must ensure that an investment in the fund is suitable and in your best interests, WFGS will perform a suitability assessment in the following circumstances:

- When you transfer assets into an account with WFGS,
- When WFGS or your Representative becomes aware of a change in your information, which could include changes to your stated risk tolerance, time horizon, investment objectives, net worth or income,
- When there is a change in your Representative at WFGS,
- When WFGS or your Representative becomes aware of a change in an investment in your account(s) that could result in the investment(s) or account(s) not being suitable, and
- When WFGS or your Representative performs the periodic review of your KYC information at least every 3 years.

Payment of Interest on Client Cash Held in Trust

- WFGS does not pay interest on cash held in trust to clients or fund companies.

Conflict of Interest Disclosure

A conflict of interest can happen when a Representative or a Dealer is in a position where they may be influenced to place their own interests ahead of your interests.

When WFGS identifies a material conflict of interest, it will attempt to eliminate and/or mitigate the conflict of interest and disclose the same. However, if WFGS is unable to eliminate and/or mitigate the conflict of interest, WFGS will avoid the conflict altogether.

Below is a list of conflicts WFGS has identified and a description of the steps WFGS has taken to address them. We believe this list will assist you in understanding and assessing the potential impact of these conflicts as they relate to your best interests.

It is important to read and understand the information contained in this disclosure document. It outlines potential conflicts of interest that may affect your best interests and, as such, should be considered when making an informed investment decision.

- **Commissions and Fees**

  When compensation is earned from the sale of mutual funds, it is paid to WFGS directly and WFGS then pays your Representative. It may be considered a material conflict of interest to receive third party compensation. WFGS' policies and procedures require its Representatives to make recommendations that put your interest first. Your Representative will explain the fees, commissions and other compensation you will be paying before selling you anything. Your Representative will also explain any compensation WFGS receives from the mutual fund company and the portion of that compensation that they are paid as a commission. You can find these details in the Fund Facts documents your Representative provided to you prior to finalizing the mutual fund sale with you. Your Representative does not receive any payment directly from any mutual fund company. WFGS staff will monitor trades to ensure commissions and fees are suitable based on current information and do not negatively impact our clients. WFGS does not add additional compensation to a sale, nor does it incentivize the sales of any individual product or provider. WFGS staff will monitor for unfair or unsuitable practices relating to negotiated commission amounts (e.g., front end commission).

- **Third Party Compensation**

  WFGS has robust policies and procedures in place to ensure that the products it offers have compensation structures in line with the fair treatment of customer principles.

  WFGS Representatives also earn commissions based on their position within the sales force resulting from promotional advancement. This creates a potential conflict of interest with your best interests as higher-ranking Representatives earn higher commission amounts. WFGS has a due diligence process in place for the review and approval all promotional activities to ensure that both quality and quantity of business submitted are considered. The leading principle is that your best interests are always placed ahead of any compensation or incentives payable to Representatives.

- **Account Fees**

  WFGS policies provide that any fee negotiated on a fee-based (F- Series) account will not apply to any funds that already have embedded fees. To mitigate any conflict-of-interest inherent pertaining to fees charged on accounts WFGS has placed a maximum allowable limit on fees, including Front End Load (FEL) fees.

- **Dual licensed Mutual Fund Representative**

  WFGS supervises our Representatives to ensure they are following needs-based selling practices. WFGS allows our Representatives, who hold the required license, to sell life and accident/sickness insurance products.

- **Outside Activities**

  Your Representative may take part in an activity that is not the business of WFGS. Examples include community events, volunteering or pursuing personal business, interests or other employment opportunities. Representatives must have permission from WFGS before engaging in those, or any other outside activities. These activities may impact you if they compete with the activities of the WFGS or limit the time a Representative has to service you and your account(s). Your interests must take priority over any material or non-material benefit that a Representative may receive from their outside activities.

  WFGS considers several factors before approving an outside activity. This includes whether the activity would place the Representative in a position of influence over a client. If a position of influence is deemed to exist, WFGS may restrict the Representative from having clients who are part of the group subject to influence or clients obtained through their association with the outside activity. WFGS does not allow an activity if it might interfere with your Representative's duty to act in your best interest. Your Representative may have to give you information about the activity in writing. In those cases, they must include details about any potential conflicts of interest, a description of the activity and their involvement.

- **Products**

  WFGS offers a broad range of mutual funds. WFGS does not offer compensation incentives or other benefits to its Representatives to encourage them to sell proprietary or affiliated products over other products that would be more suitable for you. WFGS requires that your Representative understands the products that they recommend to you. WFGS also requires that your Representative only makes suitable investment recommendations that are in line with your investment profile.

- **Referral Arrangements**

  WFGS allows Representatives to use referral arrangements which may result in the payment of a referral fee to WFGS, which then pays your Representatives. The payment of a referral fee may influence WFGS and its Representatives to put their interests in growing their business or receiving referral fee revenue ahead of your best interest. WFGS pre-approves all referral arrangements and discloses and manages them according to regulatory standards. Representatives must abide by the pre-approved referral arrangements and act in the best interests of clients. Before any service or product is provided to a client under a referral arrangement, the Representative will disclose details about it, including any compensation received, in writing, including consent to release confidential information.

- **Power of Attorney/Executor**

  To avoid any potential conflict of interest, WFGS does not allow Representatives to act in the capacity of a Power of Attorney, executor, trustee or administrator for clients, unless there is specific permission from WFGS Compliance for next of kin relationships.

- **Sales recognition and Incentives (Gifts and Entertainment)**

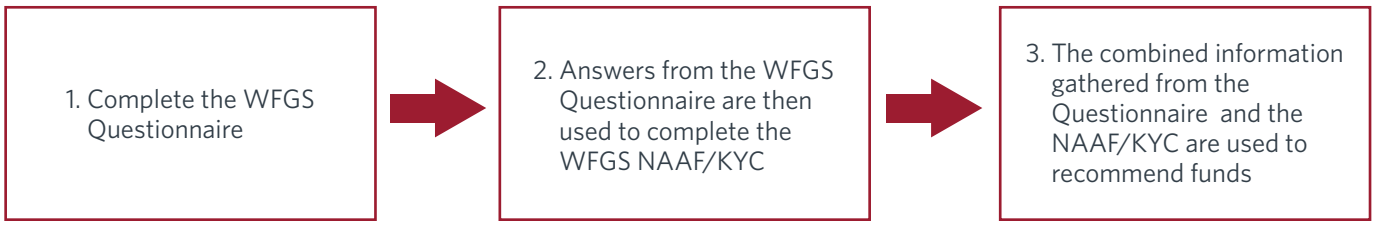
  WFGS does not offer sales recognition and incentives based on the sales of Mutual Funds. Representatives should not accept gifts unless the gift is nominal in value (promotional items that are less than $20 in value and non-monetary) because it could create a conflict of interest and a "quid pro quo" situation. This includes gifts from CIRO Registrants. Except for a token item of nominal value, Representatives of WFGS are not permitted to provide any sort of gifts/entertainment to you (or a prospect) under any circumstances. As a general policy all compensation, remuneration or other such payments must be directed via WFGS Head Office.

- **Leveraging (borrowed funds)**

  Conflicts of interest may arise in relation to a leveraged account that was recommended by your Representative, as WFGS and the Representative earn commissions from the investments made with the borrowed funds. The leveraging strategy should be in your best interest and not for the benefit of the Representative (in the form of compensation/commission). WFGS has policies and procedures to ensure due diligence and supervision is conducted when leveraging is recommended to you and those funds are used for investing at the recommendation of your Representative. Leveraged accounts are reviewed for suitability based on WFGS' established criteria and WFGS conducts ongoing monitoring of leveraged accounts. You will also be provided with disclosure of the potential risks associated with borrowing money to invest.

  For clients that have not already signed up to receive your statements electronically, please consider doing so. New clients to WFGS can do so by using this link https://winfund.wfgcanada.com/IA/Login. The preferred browser to use this link is Google Chrome. Once you have signed up go to "My Profile" and "Document Delivery" and choose "Subscribe". Existing clients can access "My Profile" and "Document Delivery" and update the information directly.

Information gathering best practice



INVESTOR QUESTIONNAIRE

PLAN# _____

Investment Time Horizon

The length of your investment time horizon impacts the types of investments that may be suitable for you. Investors with a time horizon of greater than three (3) years have a greater degree of flexibility when building a portfolio although risk tolerance and investment objectives must also be considered. If you have a very short time horizon, more conservative investments like GICs or money market funds may be the only suitable option for you.

1. When do you expect to need to withdraw a significant portion (1/3 or more) of the money in your investment portfolio?

- ☐ i. Less than 1 year
- ☐ ii. 1-3 years
- ☐ iii. 4-6 years
- ☐ iv. 7-9 years
- ☐ v. 10 years or more

Investment Knowledge

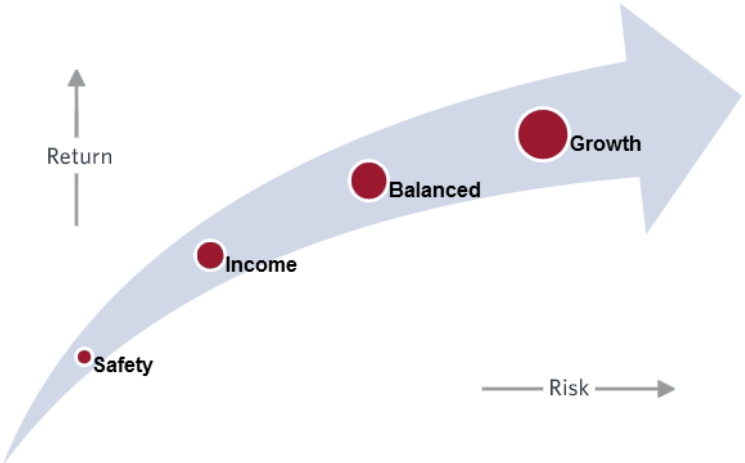
If you have a high level of investment knowledge, you have a good understanding of the relative risk of various types of investments and understand how the level of risk taken affects potential returns. If you have very little knowledge of investments and financial markets, speculative and high risk investments and strategies are likely not suitable options for you.

2. Which statement best describes your knowledge of investments?

- ☐ i. I have very little knowledge of investments and financial markets.
- ☐ ii. I have a fair level of knowledge of investments and financial markets.
- ☐ iii. I have a good level of knowledge and understanding of investments and financial markets.
- ☐ iv. I have extensive investment knowledge, understand different investment products and follow financial markets closely.

Investment Objectives

Investment objectives are the goal or result you want to achieve from investing. Understanding your investment goals helps determine the types of investments best suited to meet your needs. The investment products used to meet different goals have varying levels of risk and potential returns.



Graphic that indicates Risk and Reward

3. What is your primary goal for this portfolio?

- ☐ i. I want to keep the money I have invested safe from short-term losses or readily available for short-term needs.
  (Safety: Investments that will satisfy this objective include GICs and money market funds.)
- ☐ ii. I want to generate a steady stream of income from my investments and I am less concerned about growing the value of my investments.
  (Income: Investments that will satisfy this objective include fixed income investments such as funds that invest in bonds.)
- ☐ iii. I want to generate some income with some opportunity for the investments to grow in value.
  (Balanced: A balanced fund or a portfolio that includes at least 40% in fixed income investments and no more than 60% in equity funds will satisfy this objective.)
- ☐ iv. I want to generate long-term growth from my investments.
  (Growth: A portfolio with a relatively high proportion of funds that invest in equities will satisfy this objective if you also have a long time horizon and are willing and able to accept more risk.)

Risk Capacity

Your financial situation including your assets, debt, and the amount and stability of your income are all important when determining how much risk you can take with your investments. In addition, the larger the portion of your total assets that you are investing, the more conservative you might wish to be with this portion of your portfolio.

4. What is your annual income?
(From all sources)

- ☐ i. Less than $25,000 (0 points)
- ☐ ii. $25,000 – $49,999 (2 points)
- ☐ iii. $50,000 – $74,999 (4 points)
- ☐ iv. $75,000 – $99,999 (5 points)
- ☐ v. $100,000 – $199,999 (7 points)
- ☐ vi. $200,000 or more (10 points)

5. Your current and future income sources are:

- ☐ i. Stable (8 points)
- ☐ ii. Somewhat stable (4 points)
- ☐ iii. Unstable (1 points)

6. How would you classify your overall financial situation?

- ☐ i. No savings and significant debt (0 points)
- ☐ ii. Little savings and a fair amount of debt (2 points)
- ☐ iii. Some savings and some debt (5 points)
- ☐ iv. Some savings and little or no debt (7 points)
- ☐ v. Significant savings and little or no debt (10 points)

7. What is your estimated net worth?
(Investments, cash, home and other real estate less mortgage loans and all other debts)

- ☐ i. Less than $50,000 (0 points)
- ☐ ii. $50,000 – $99,999 (2 points)
- ☐ iii. $100,000 – $249,999 (4 points)
- ☐ iv. $250,000 – $499,999 (6 points)
- ☐ v. $500,000 -$999,999 (8 points)
- ☐ vi. $1,000,000 or more (10 points)

8. This investment account represents approximately what percentage of your total savings and investments?
(Total savings and investments include all the money you have in cash savings, GICs, savings bonds, mutual funds, stocks and bonds.)

- ☐ i. Less than 25% (10 points)
- ☐ ii. 25%-50% (5 points)
- ☐ iii. 51%-75% (4 points)
- ☐ iv. More than 75% (2 points)

9. What is your age group?
(Your age is an important consideration when constructing an investment portfolio. Younger investors may have portfolios with investments primarily in equities to maximize potential growth if they have a higher risk tolerance and long investment time horizon. Investors who are retired or near retirement are often less able to withstand losses and may have portfolios with investments that maximize income and capital preservation.)

- ☐ i. Under 35 (20 points)
- ☐ ii. 35-54 (8 points)
- ☐ iii. 55-64 (3 points)
- ☐ iv. 65 or older (1 point)

Your Score for Questions 4-9: Incomplete

Risk Tolerance

Your comfort level with risk is important in determining how conservatively or aggressively you should invest. Generally speaking, you need to consider accepting more risk if you want to pursue higher returns. If you decide to seek those potentially higher returns, you face the possibility of greater losses.

10. In making financial and investment decisions you are:

- ☐ i. Very conservative and try to minimize risk and avoid the possibility of any loss (0 points)
- ☐ ii. Conservative but willing to accept a small amount of risk (4 points)
- ☐ iii. Willing to accept a moderate level of risk and tolerate losses to achieve potentially higher returns (6 points)
- ☐ iv. Aggressive and typically take on significant risk and are willing to tolerate large losses for the potential of achieving higher returns (10 points)

11. The value of an investment portfolio will generally go up and down over time. Assuming that you have invested $10,000, how much of a decline in your investment portfolio could you tolerate in a 12-month period?

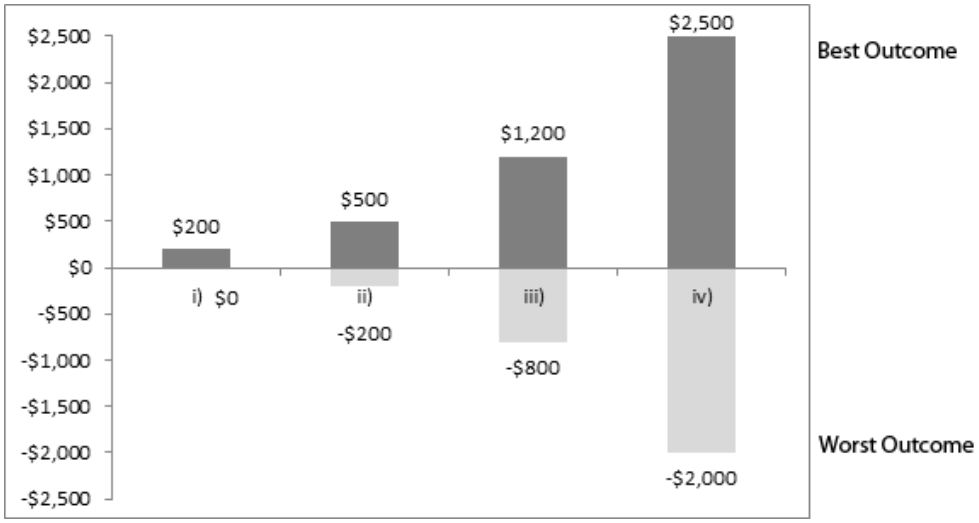
- ☐ i. I could not tolerate any loss (0 points)
- ☐ ii. -$300 (-3%) (3 points)
- ☐ iii. -$1,000 (-10%) (6 points)
- ☐ iv. -$2,000 (-20%) (8 points)
- ☐ v. More than -$2,000 (more than -20%) (10 points)

12. When you are faced with a major financial decision, are you more concerned about the possible losses or the possible gains?

- ☐ i. Always the possible losses (0 points)
- ☐ ii. Usually the possible losses (3 points)
- ☐ iii. Usually the possible gains (6 points)
- ☐ iv. Always the possible gains (10 points)

13. The chart below shows the greatest one year loss and the highest one year gain on four different investments of $10,000. Given the potential gain or loss in any one year, which investment would you likely invest your money in:

- ☐ i. **Either** a loss of $0 **or** a gain of $200 (0 points)
- ☐ ii. **Either** a loss of $200 **or** a gain of $500 (3 points)
- ☐ iii. **Either** a loss of $800 **or** a gain of $1,200 (6 points)
- ☐ iv. **Either** a loss of $2,000 **or** a gain of $2,500 (10 points)



14. From September 2008 through November 2008, North American stock markets lost over 30%. If you currently owned an investment that lost over 30% in 3 months you would:

☐ i. Sell all of the remaining investment to avoid further losses (0 points)

☐ ii. Sell a portion of the remaining investment to protect some of your capital (3 points)

☐ iii. Hold onto the investment and not sell any of the investment in the hopes of higher future returns (5 points)

☐ iv. Buy more of the investment now that prices are lower (10 points)

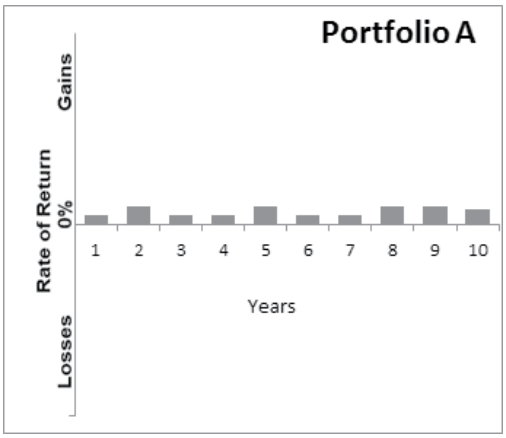
15. Investments with higher returns typically involve greater risk. The charts below show hypothetical annual returns (annual gains and losses) for four different investment portfolios over a 10 year period. Keeping in mind how the returns fluctuate, which investment portfolio would you be most comfortable holding?

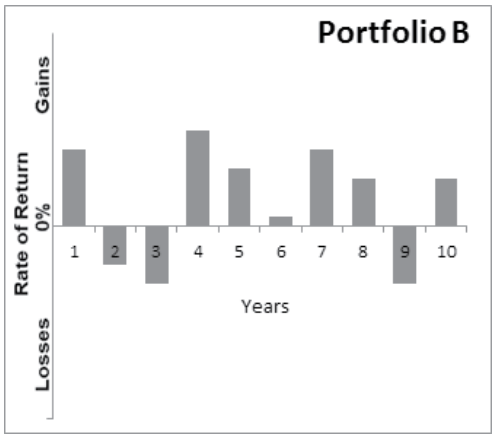
☐ i. Portfolio A (0 points)

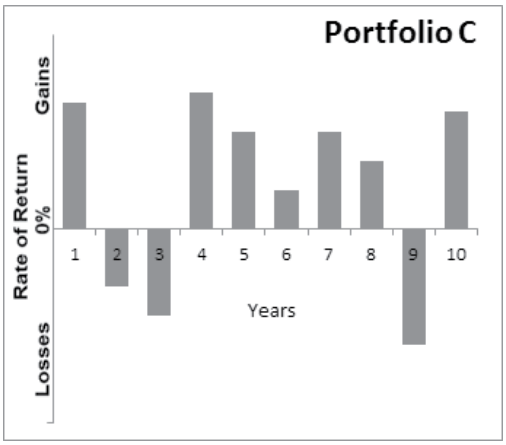
☐ ii. Portfolio B (4 points)

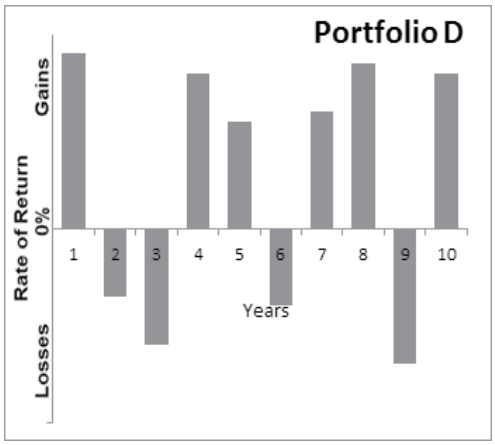
☐ iii. Portfolio C (6 points)

☐ iv. Portfolio D (10 points)







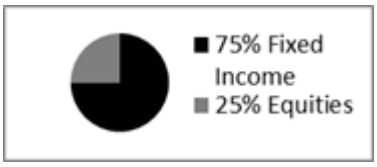
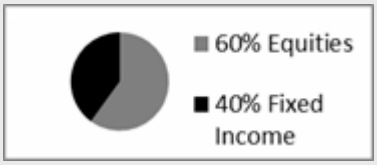
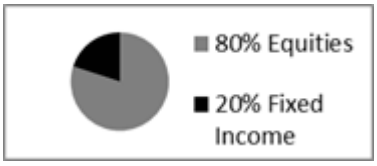


Your Score for Questions 10-15: Incomplete

On the table below circle your answers to the time horizon, investment knowledge and investment objectives questions and your total scores for the risk capacity and risk tolerance questions.

Your investor profile is determined by the circle that is in the column furthest to the left in the table.

	1	2	3	4	5
Time Horizon (question 1)	i	ii		iii, iv	v
Investment Knowledge (question 2)			i	ii, iii	iv
Investment Objectives (question 3)	i	ii	iii		iv
Risk Capacity (total of questions 4-9)		<15	15-25	26-40	>40
Risk Tolerance (total of questions 10-15)	<20	20-24	25-30	31-45	>45

Sample Investor Profiles	Examples of Asset Allocation
1. VERY CONSERVATIVE You have a very low tolerance for risk and are unable to tolerate any investment losses or you have a very short investment time horizon. You prefer knowing that your capital is safe and are willing to accept lower returns to protect your capital. *Relevance to WFGS KYC Form:* This category would relate to an investor who has a Safety Objective, Low Risk Tolerance, and a Time Horizon of not more than 3 years.	
2. CONSERVATIVE INCOME You have lower tolerance for risk and potential loss of capital or a short investment time horizon. You are willing to accept some short-term fluctuations and small losses in your investment portfolio in exchange for modest returns. The primary objective of your investment portfolio is to provide income by investing primarily in funds that invest in fixed-income securities. While capital appreciation is not a priority, a small portion of the portfolio may be invested in equity funds to provide the potential for some growth to offset the impact of inflation. *Relevance to WFGS KYC Form:* This category would relate to an investor who has an Income Objective, Low to Low/Med Risk Tolerance and a Time Horizon up to 4 to 6 years.	
3. BALANCED You have a moderate tolerance for risk and loss of capital. You are willing to tolerate some fluctuations in your investment returns and moderate losses of capital. You have at least a medium-term investment time horizon. The objective of your portfolio is to provide a combination of income and long-term capital growth therefore the portfolio will include at least 40% in fixed income investments *Relevance to WFGS KYC Form:* This category would relate to an investor who has a relatively even split (not more than 10% variance) of Income and Growth Objectives, Low/Med to Medium Risk Tolerance, and a Time Horizon of at least 4 to 6 years.	
4. GROWTH You have higher tolerance for risk and loss of capital. You are willing to tolerate large fluctuations in your investment returns and moderate to large losses of capital in exchange for potential long-term capital appreciation. You do not have any significant income requirements from your investments. You have at least a medium-term investment time horizon. *Relevance to WFGS KYC Form:* This category would relate to an investor who has a Growth Objective, Medium, Med/High- or High-Risk Tolerance, and a Time Horizon of at least 4 to 6 years.	
5. AGGRESSIVE GROWTH Your tolerance for risk, portfolio volatility and investment losses is very high. You are willing to tolerate potentially significant and sustained price fluctuations and large losses of capital. You have extensive investment knowledge. You have no income requirements from your investments and have a long investment time horizon. *Relevance to WFGS KYC Form:* This category would relate to an investor who has a Growth or Speculative Objectives, High-Risk Tolerance, and a Time Horizon of at least 7 to 9 years. Concentration rules are to be observed.	

Your Investor Profile: 0 .INCOMPLETE

ADVISOR NOTES AND DISCUSSION

Illustrative Examples

On the table below circle your answers to the time horizon, investment knowledge and investment objectives questions and your total scores for the risk capacity and risk attitude questions.

Your investor profile is determined by the circle that is in the column furthest to the left in the table.

Example One	1 Safety	2 Conservative Income	3 Balanced	4 Growth	5 Aggresive Growth
Time Horizon (question 1)	i	ii		iii, iv	v
Investment Knowledge (question 2)			i	ii, iii	iv
Investment Objectives (question 3)	i	ii	iii		iv
Risk Capacity (total of questions 4-9)		<15	15-25	26-40	>40
Risk Tolerance (total of questions 10-15)	<20	20-24	25-30	31-45	>45

In this example, although the client expressed a willingness to accept risk, they have very limited risk capacity (i.e., ability to withstand losses). The client's Risk Capacity is the most constraining element, leading to a Conservative Income profile.

Example Two	1 Safety	2 Conservative Income	3 Balanced	4 Growth	5 Aggresive Growth
Time Horizon (question 1)	i	ii		iii, iv	v
Investment Knowledge (question 2)			i	ii, iii	iv
Investment Objectives (question 3)	i	ii	iii		iv
Risk Capacity (total of questions 4-9)		<15	15-25	26-40	>40
Risk Tolerance (total of questions 10-15)	<20	20-24	25-30	31-45	>45

In this example, the client has significant financial resources but is unwilling to take any risk with their investments. The client's Risk Tolerance is the most constraining element, leading to a Safety profile.

WFG SECURITIES INC

9960 NEW ACCOUNT APPLICATION FORM (NAAF/KYC)

CLIENT INFORMATION

☐ **Update to Existing Client** ☐ **New Client** ☐ **Corporate***

* For corporate accounts, attach a Corporate Resolution, the Articles of Incorporation, confirmation of corporate name and confirmation of names of all Directors. Please provide the FATCA/CRS Corporate Disclosure form available at: https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/rc519.html

Rep Code: _____ Language Preference: ☐ English ☐ French ☐ Mr. ☐ Mrs. ☐ Miss ☐ Ms. ☐ Dr. ☐ Other _____

First Name/Business Name | Last Name | Date of Birth (mm/dd/yyyy) | Social Insurance/Business Number

Address | Telephone Home/Cell | Telephone Business

City | Province | Postal Code | Email Address | No. of Dependents

Employer Name | Address | Occupation/Nature of Business/ Type of Legal Entity (for Corporate Accounts) | Beneficiary SIN

JOINT CLIENT ☐ No ☐ Yes (If Yes, complete below) ☐ *Address is the same as above*

First Name/Business Name | Last Name | Date of Birth (mm/dd/yyyy) | Social Insurance/Business Number

Address | Telephone Home/Cell | Telephone Business

City | Province | Postal Code | Email Address | No. of Dependents

Employer Name | Address | Occupation | Beneficiary SIN

CLIENT IDENTITY VERIFICATION/FOR CORPORATIONS PROVIDE THE ID FOR AUTHORIZED SIGNATORIES

Document Type (Client): _____ ID Number: _____ Jurisdiction: _____ Expiry Date: _____

Document Type (Joint): _____ ID Number: _____ Jurisdiction: _____ Expiry Date: _____

Foreign Tax Reporting Requirements - Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)

Client: Declaration of Tax Residence
☐ I am a tax resident of Canada
☐ I am a tax resident or citizen of the United States or a Tax Resident of other jurisdiction *You MUST complete and attach the Declaration of Tax Residence Form*

Joint Client: Declaration of Tax Residence
☐ I am a tax resident of Canada
☐ I am a tax resident or citizen of the United States or a Tax Resident of other jurisidction *You MUST complete and attach the Declaration of Tax Residence Form*

In Trust For (ITF) Beneficiares must also provide FATCA/CRS information. Please add separate Declaration of Tax Residence form

For information related to FATCA and CRS, please refer to the Declaration of Tax Residence Form on Winfund.
Declaration of Tax Residence for Entities Form Declaration of Tax Residence for Individuals Form

CLIENT/ADVISOR RELATION

Known Client Since: _____ How do you know the client? Referral/Walk In/Friend/Family: _____

KNOW YOUR CLIENT INFORMATION (Individual)

Approximate Income: ☐ Under $25,000 ☐ $25,000-$49,999 ☐ $50,000-$74,999 ☐ $75,000-$99,999
☐ $100,000-$124,999 ☐ $125,000-$199,999 ☐ $200,000-$999,999 ☐ $ 1 Million and over

Net Worth: ☐ **Including Spouse** Liquid Assets: $ _____ + Fixed Assets: $ _____ - Liabilities: $ _____ = Net Worth: $ _____

Investment Knowledge: ☐ Novice ☐ Fair ☐ Good ☐ Sophisticated

Other Investments: ☐ Bonds ☐ Mortgages ☐ Stocks ☐ Mutual Funds ☐ Real Estate

KNOW YOUR CLIENT INFORMATION (Joint Co-owner)

Approximate Income: ☐ Under $25,000 ☐ $25,000-$49,999 ☐ $50,000-$74,999 ☐ $75,000-$99,999
☐ $100,000-$124,999 ☐ $125,000-$199,999 ☐ $200,000-$999,999 ☐ $ 1 Million and over

Net Worth: ☐ **Including Spouse** Liquid Assets: $ _____ + Fixed Assets: $ _____ - Liabilities: $ _____ = Net Worth: $ _____

Investment Knowledge: ☐ Novice ☐ Fair ☐ Good ☐ Sophisticated

Other Investments: ☐ Bonds ☐ Mortgages ☐ Stocks ☐ Mutual Funds ☐ Real Estate

PRIVACY CONSENT

From time to time your representative and/or WFG Securities Inc. (WFGS) may communicate with you via telephone, mail, email or other electronic means to discuss products and services sold by our representative and offered through WFGS, which may be of interest to you. Do you agree to be included in these communications and your personal information to be used for this optional purpose? *(You may elect to unsubscribe or request to have yourself removed from these communications at any time by selecting the unsubscribe option in an email or by contacting the WFGS Privacy Officer.)* ☐ **Yes** ☐ **No**

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INVESTMENT INFORMATION

Leveraged PLAN. Annual Non-Reg Leverage Review requires a Leverage Worksheet.			☐ Yes ☐ No	*Leveraged PLAN. Annual Non-Reg Leverage Review requires a Leverage Worksheet.*			☐ Yes ☐ No	*Leveraged PLAN. Annual Non-Reg Leverage Review requires a Leverage Worksheet.*			☐ Yes ☐ No
Plan Type			*Plan ID*	*Plan Type*			*Plan ID*	*Plan Type*			*Plan ID*
☐ Open	☐ TFSA			☐ Open	☐ TFSA			☐ Open	☐ TFSA		
☐ RRSP	☐ SPRSP			☐ RRSP	☐ SPRSP			☐ RRSP	☐ SPRSP		
☐ RRIF	☐ LIRA			☐ RRIF	☐ LIRA			☐ RRIF	☐ LIRA		
☐ LIF	☐ RDSP			☐ LIF	☐ RDSP			☐ LIF	☐ RDSP		
☐ RESP I	☐ RESP F			☐ RESP I	☐ RESP F			☐ RESP I	☐ RESP F		
☐ LRSP	☐ ITF	☐ FHSA		☐ LRSP	☐ ITF	☐ FHSA		☐ LRSP	☐ ITF	☐ FHSA	
Investment Objective			*Time Horizon*	*Investment Objective*			*Time Horizon*	*Investment Objective*			*Time Horizon*
☐ Safety:		%	☐ < 1 Year	☐ Safety:		%	☐ < 1 Year	☐ Safety:		%	☐ < 1 Year
☐ Income:		%	☐ 1 to 3 Years	☐ Income:		%	☐ 1 to 3 Years	☐ Income:		%	☐ 1 to 3 Years
☐ Growth:		%	☐ 4 to 6 Years	☐ Growth:		%	☐ 4 to 6 Years	☐ Growth:		%	☐ 4 to 6 Years
☐ Speculative:		%	☐ 7 to 9 Years	☐ Speculative:		%	☐ 7 to 9 Years	☐ Speculative:		%	☐ 7 to 9 Years
			☐ 10+ Years				☐ 10+ Years				☐ 10+ Years
Risk Tolerance				*Risk Tolerance*				*Risk Tolerance*			
☐ Low:		%		☐ Low:		%		☐ Low:		%	
☐ Low/Med:		%		☐ Low/Med:		%		☐ Low/Med:		%	
☐ Medium:		%		☐ Medium:		%		☐ Medium:		%	
☐ Med/High:		%		☐ Med/High:		%		☐ Med/High:		%	
☐ High:		%		☐ High:		%		☐ High:		%	

Would you like to enroll to receive WFG Securities Inc. e-statements instead of receiving paper statements? ☐ **Yes** (please see note on the back of this form)

WILL ANY OTHER PERSONS FOR ITF, RESP AND RDSP PLANS, INCLUDE NAME OF BENEFICIARY, SIN AND DOB

a) Have a financial interest in this account? ☐ Yes ☐ No If Yes, please provide particulars: _____

b) Have trading authorization in this account? ☐ Yes ☐ No If Yes, please provide particulars: _____
(Trading authorization held by a third party for the client's account must be documented.)

c) Are you acting on the instructions of another individual? ☐ Yes ☐ No
d) Are you opening this account on behalf of a third party? ☐ Yes ☐ No

If yes, complete the WFGS Third Party Determination Form and attach a copy of the Power of Attorney, if applicable.

POLITICALLY EXPOSED PERSON / HEAD OF AN INTERNATIONAL ORGANIZATION

Please indicate if you, a member of your family (your spouse or common-law partner, your child, your mother or father, the mother or father of your spouse or common-law partner, or a child of your mother or father), or a close associate is a head of state or government; a member of the executive council of government or member of a legislature; a deputy minister (or equivalent); an ambassador or an ambassador's attache or counsellor; a military general (or higher rank); a president of a state-owned company or bank; a head of a government agency; a judge; a leader or president of a political party in a legislature; the head of an international organization established by the government of states; or the head of an institution established by an international organization. If "Yes" please complete the "PEP/HIO Verification Supplement" found in the Forms section on Winfund.

☐ **Yes** ☐ **No** **Details/Position:** _____

TRUSTED CONTACT PERSON (TCP)

A Trusted Contact Person (TCP) is someone you give permission to your Representative and WFGS to contact when there are concerns about your wellbeing in specific circumstances including: you are unable to be reached after several attempts, suspected financial exploitation or abuse, concerns about your ability to make financial decisions, or to confirm your legal representative(s). Your TCP can be a resource to safeguard your financial assets, but they do not have authorization to place transactions in your account, make decisions on your behalf, or have access to your account(s). Naming a TCP is optional, and you can add, remove or update your TCP at any time.

Name	
Telephone Number(s)	
Relationship to Account Owner	
Email	
Address	

By not providing contact information for a TCP above, you are electing to not delegate a TCP at this time.
You can add, remove or update your TCP at any time by completing an updated New Account Application Form or Letter of Direction with your advisor with all the details above.

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CLIENT ACKNOWLEDGMENT AND CONSENT

I/We hereby declare that I/we have provided original documentation to our representative to verify my/our identity my/our identity and that my/our name(s), date(s) of birth, the document number(s) and issuing jurisdiction appearing therein, as indicated above, were correctly transcribed from such documents.

I/We have read and understood the leveraging disclosure included in this document and in compliance with CIRO rules.

I/We have read and understood the Client Compliant Information Form, included in this document, and in compliance with CIRO rules.

I/We have read and understood the Risk Tolerance, Investment Objectives and Time Horizon, and other NAAF definitions that constitute client relationship disclosures.

I/We have received, read and understand the Fund Facts and that I/we can refer to the prospectus for the details of any applicable fees or charges that may be applicable to any transaction.

Cheques must be payable to "WFG Securities Inc., In Trust" and not directly to a representative.

Client must sign below only when all sections of this form are complete.

Signature Guarantee Stamp

Client Name	Client Signature	Signing Province	Date (mm/dd/yyyy)
Joint Client Name	Joint Client Signature	Signing Province	Date (mm/dd/yyyy)
Representative Name	Representative Signature	Representative Code	Date (mm/dd/yyyy)

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Dual License Disclosure Statement

I/We acknowledge that WFG Securities Inc. (WFGS) Mutual Fund Representatives may be licensed as Insurance Agents. All mutual funds are processed through WFGS and all life or disability products are processed through World Financial Group Insurance Agency of Canada Inc. (WFGIAC), a separate entity. The Representative's recommendations may result in the purchase of financial products through either entity mentioned above, and, should I/we purchase any of these products, it may result in a commission or finder's fee that may vary from product to product. Neither WFGS nor WFGIAC have their own products. These two entities represent many financial product suppliers based on market competitiveness and service. All information I/we provide is kept confidential and will be used to determine the suitability of products and services offered by both entities.

Dual Occupation Disclosure

WFGS Mutual Fund Representatives may also be engaged in other occupations not related to the sale of mutual funds. Please note that any activities not related to the sale of mutual funds are not the business of WFGS nor the responsibility of WFGS. Also see the Dual License Disclosure Statement above.

Nature of Products Offered

WFGS offers mutual funds from a number of Mutual Fund companies. WFGS does not sell proprietary products.

Risk Tolerance

WFGS collects information from you about your investment objectives, investment time horizon, risk capacity, and risk tolerance in order to get to know you, our client. Determining your risk profile is part of the Enhanced Know Your Client ("KYC") Requirements. Establishing your risk profile involves understanding two aspects of risk. The first is your willingness to accept risk, sometimes referred to as risk tolerance. The second is your ability to endure potential financial loss, sometimes referred to as risk capacity. Risk tolerance and risk capacity are separate considerations that together make up your overall risk profile. Your risk profile should not be manipulated to justify recommending higher-risk investment products. When determining suitable investment recommendations, the lower recorded risk of tolerance vs. capacity should be used.

Assessing your capacity for loss also involves your Representative's understanding additional factors, particularly your financial circumstances, (including liquidity needs, debts, income and assets), and how much of your total investments an account or particular investment position represents, your age, and your life stage. Your risk profile should reflect the lower of (a) your willingness to accept risk, and (b) your ability to endure potential financial loss.

Representatives should not override your risk profile or other KYC information to meet your expectation for returns.

Low: Low risk investments demonstrate a low volatility and are for investors who are willing to accept lower returns for greater safety of capital, and may include such investments as Canada Savings Bonds, GICs and money market mutual funds.

Low to Medium: Low to Medium risk investments demonstrate a low to medium volatility but a higher volatility than those described above and may include bond or balanced funds.

Medium: Medium risk investments demonstrate a medium volatility and are for investors that are looking for moderate growth over a longer period of time and may include Canadian dividend, Canadian equity, U.S. equity and certain international equity funds.

Medium to High: Medium to High-risk investments demonstrate a medium to high volatility and are for investors who are looking for long term growth and may include funds that invest in smaller companies, specific market sectors or geographic areas.

High: High risk investments demonstrate a high volatility and are for investors who are growth oriented and are willing to accept significant short-term fluctuations in portfolio value in exchange for potentially higher long-term returns, and may include labor sponsored venture capital funds or funds that invest in specific market sectors or geographic areas such as emerging markets, science and technology, or funds that engage in speculative trading strategies including hedge funds that invest in derivatives, short sell or use leverage.

Objectives

Safety - The objective is mainly the protection of principal. The investment selection could include very low risk mutual funds and GICs.

Income - The objective is mainly to generate an income from your investments and you are less concerned with capital appreciation. This could include fixed income funds, funds that invest in bonds and money market funds.

Growth - The objective is capital appreciation and current income from investments is not a requirement. This may lead you to hold a relatively high proportion of funds that invest in equities if you also have a medium to higher risk tolerance and longer term time horizon.

Speculative - The objective is capital appreciation. Investments could include higher risk funds with a long-term time horizon. Speculative objectives are not realistic for clients with a short-term time horizon.

Time Horizon

The period from now to when you need to access a significant portion of the money you invested in the account. The investment time horizon is closely connected to the objectives of the plan, requirements for the investable assets and the risk tolerance of the investor. Generally, a longer time horizon would be five (5) or more years, a medium time horizon would be three to five (3-5) years and a short time horizon may be less than three (3) years. Investors should ensure that their investments adequately reflect the amount of time they have available and the amount of risk that they are willing to assume. Investment performance may greatly fluctuate over the time horizon.

For Quebec Residents

The *Autorite des marches financiers* (AMF) is the regulatory and oversight body for Quebec's financial sector.

The AMF provides assistance to consumers of financial products and services, and ensures the implementation of programs to protect and compensate consumers.

For more information on the AMF complaint process go to www.lautorite.qc.ca or phone the AMF at 1-877-525-0337.

Content and Frequency of Reporting

Clients will receive three (3) quarterly WFGS statements and an annual statement. These statements will be available by the end of the month following the statement period January - March, April - June, July - September, Annual (January-Decemeber). The statement will include:

- The type of account
- The account number
- The period covered by the statement
- The name of the Approved Person(s) servicing the account, if applicable
- The name, address and telephone number of WFGS

Information on your Book Value and Market Value is included in the quarterly and annual statements. Clients will also receive Client Transaction Confirmations, which are issued by the fund companies directly or by the trustee that holds the client account.

Annual fees and compensation report - will be sent to you once per year

This report summarizes the charges and compensation we received directly or indirectly to service your account over the past year. A portion of this sum is paid as remuneration to your Investment Advisor/Portfolio Manager. The remainder is kept by our firm to service and support your account.

Annual investment performance report - will be sent to you once per year

This report provides you with information regarding activity in your accounts and presents performance over the past year and since inception.

Benchmark Disclosure

What is a benchmark?

A benchmark is information that helps you compare performance. For example, students compare their marks to the class average to understand how well they did. In the same way, an "investment benchmark" helps you understand how well your investments performed. The performance of investments may be assessed by comparing them to an investment performance benchmark. Benchmarks show the performance over time of a select group of similar securities.

Choosing the right benchmark

- You should not compare your math mark to the class average on an English test. In the same way, you must not compare your equity fund to a benchmark for bond funds.

- There are many different benchmarks, and it is important to use the right one. Some funds do not use benchmarks.

A fund that uses a benchmark will list it in its Management Report of Fund Performance. You can locate this report online or you can also ask your WFGS Representative for this information.

There are many different benchmarks; comparisons should be made to a benchmark that reflects the investment. For example, the S&P/TSX Composite Index follows the share prices of the largest companies listed on the Toronto Stock Exchange. This index would be a good benchmark for assessing performance of a Canadian equity fund that invests only in large Canadian companies. It would be a poor benchmark for investments diversified in other products, sectors or geographic areas. The S&P 500 could be used for U.S. stocks.

INVESTING WITH BORROWED MONEY

Using borrowed money to finance the purchase of securities involves greater risk than purchasing securities using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest, as required by the loan's terms, remains the same even if the value of the securities purchased declines.

Risk of Borrowing to Invest

Here are some risks and factors that you should consider before borrowing to invest.

Is it Right for You?

- Borrowing money to invest is risky. You should only consider borrowing to invest if:
  - You are comfortable with taking risk
  - You are comfortable taking on debt to buy investments that may go up or down in value
  - You are investing for the long term
  - You have a stable income
- You should not borrow to invest if:
  - You have a low tolerance for risk
  - You are investing for a short period of time
  - You intend to rely on income from the investments to pay living expenses
  - You intend to rely on income from the investments to repay the loan, because if this income stops or decreases you may not be able to pay back the loan

You can end up Losing Money

- If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.
- Whether your investments make money or not, you will still have to pay back the loan plus interest. You may have to sell other assets, or use money you had set aside for other purposes, to pay back the loan.
- If you used your home as security for the loan, you may lose your home.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

Tax Considerations

- You should not borrow to invest just to receive a tax deduction.
- Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest.

Your representative should discuss the risks of borrowing to invest with you.

WFG Securities Inc.

Clients should receive the Fund Facts prior to their initial purchase of a fund. All investments inherently carry a degree of risk, and clients should ensure that they are comfortable with the risks associated with their investments before purchasing them. Clients should ask their WFGS Mutual Fund Representative how they can obtain a prospectus or current Fund Facts, if using a Pre-authorized Purchasing Plan or making subsequent purchases.

Our Goal:

To help people achieve financial independence.

The WFGS Difference:

- Our representatives are trained to take a strategic approach, not just sell a product.
- We work with families to help them reach their personal goals.
- Your representative will help identify some of the best financial products the industry has to offer from our diversified product portfolio.

For more information, please contact your WFGS Mutual Fund Representative.

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