



## **Relationship Disclosure**

### **INTRODUCTION**

Beacon Securities Limited ("Beacon") believes the best way to help you meet your financial goals, and for us to keep serving you as a valued client, is to provide you with the account type(s) and access to investments in a way that best suits your needs. We want to help you save and invest in the way you are most comfortable within this changing environment in which we live. We believe we can do this most successfully if we both know what to expect from each other. For this reason, we would like you to have a good understanding of the products and services we offer; the features of your account(s) and how it/they operate(s); and our responsibilities to you.

### **ABOUT US**

Beacon is an independent global investment bank that was founded in 1988 in Halifax, Nova Scotia. Beacon is registered as an investment dealer in each province in Canada. We are also members of the Canadian Investment Regulatory Organization (CIRO) as well as the Canadian Investor Protection Fund (CIPF). We are members of the following stock exchanges: Toronto Stock Exchange, TSX Venture, Canadian Securities Exchange and CBOE Canada.

### **INTRODUCING BROKER/CARRYING BROKER**

Beacon is known as an Introducing Broker. Assets under administration with Beacon are custodied with our Carrying Broker, Fidelity Clearing Canada ULC (FCC). On behalf of Beacon, FCC handles the following functions:

- Settle trades, issue trade confirmations, account statements and year-end performance and tax reporting documents.
- When opening a margin account with Beacon, it will be FCC that loans you the money; for the purpose of purchasing or holding securities subject to the terms of your client agreement and margin agreement. Margin requirements are decided by FCC and may be more stringent than CIRO minimums.
- Issuing the receipt, delivery and safekeeping of funds and securities received by Beacon, as introducing broker.
- Issue and receive cheques and deliver and receive securities

### **OUR RELATIONSHIP AND RESPONSIBILITIES**

To maximize the mutual benefits of our relationship, we would like to outline what we consider to be the responsibilities belonging to the client, advisor, and Beacon.

## **YOUR RESPONSIBILITIES AS A CLIENT**

You are responsible for making all investment decisions in your account(s). We also want you to understand how your input through the "Know Your Client" (KYC) form you complete is critical to our meeting your expectations. For a mutually successful relationship, we promote active client participation by asking you to:

- Provide full and correct information to Beacon and the registered individuals acting for us. Clients should promptly inform us of any changes in their personal and financial circumstances that could result in a change to the types of investments appropriate for them, such as a change to their income, investment objectives, risk tolerance, time horizon or net worth.
- KYC information is not static and needs to be reviewed often and changed each time you experience a major life change. Changes to your financial situation, marital status, birth of a child, employment status are a few examples of the changes that require us to update the KYC information on file.
- Carefully and promptly reviewing copies of all KYC information we will provide you at the time of account opening and any time those records are updated. To ensure that we have recorded a correct depiction of your circumstances.
- Promptly letting us know of changes in your contact information. This includes but is not limited to, your address, telephone number and email address. If your contact information becomes stale, and we are unable to contact you with the information we have on file, we will make all reasonable efforts to contact you.
- Remain informed. You should understand the potential risks and returns on investments. You should carefully review all sales literature provided by Beacon. Where appropriate, clients should consult professionals, such as a lawyer or an accountant, for legal or tax advice.
- Carefully and promptly reviewing all documentation provided to you, including trade confirmations and account statements, either in electronic or paper format. The documentation and the transactions reported to you will be considered authorized, that is; correctly transacted, and ratified by you unless we receive written notification from you within 30 days from delivery.
- Ask us questions. Ensure that you understand all sections in this Relationship Disclosure. Clients should ask questions and request information from Beacon to resolve questions about their account, transactions or investments, or their relationship with Beacon or a registered individual acting for Beacon.
- Stay on top of your investments. Clients should pay for securities purchases by the settlement date. They should review all account documentation provided by the firm and regularly review portfolio holdings and performance.
- Contact Beacon if you are dissatisfied with the handling of your account(s).

The advisor is responsible for providing advice and a proper standard of care that is suitable based on your investment needs and objectives.

## **BEACON'S RESPONSIBILITIES**

- Providing you with an electronic copy of your New Client Application Form which has your KYC information. KYC is obtained from you at the time your account is opened and whenever there is an account update with current information.
- Delivering to you a written confirmation of all transactions in your account.
- Issuing account statements when there is a transaction during the month and on a quarterly basis regardless of account activity. The statement will have security position, cost, and activity information.
- Permitting you to authorize Electronic Delivery of Documents to receive prospectuses electronically.
- Providing you with an Annual Account Report as of December 31<sup>st</sup> and includes sections on Performance and Fees paid during the year.
- Making available our Privacy Policy at the time of account opening and posting it on our website.
- Ensuring we apply all necessary controls to provide you with electronic statements should you so choose to receive information in this format.
- Letting you know in advance (60 days) should we intend to make changes to our fees and charges schedule.
- Addressing and resolving all complaints regarding the handling of your account and reporting all client complaints through CIIRO's central complaints and settlement reporting system (COMSET)
- Supervising our advisors to ensure that they are providing you with proper advice each time.

**The remainder of this Relationship Disclosure is neither an exhaustive nor a comprehensive discussion of the topics mentioned. It is intended to provide disclosure so that each of our clients are aware of issues that may be of interest to them and inquire further on how each of these issues may affect them.**

## **PRODUCTS AND SERVICES**

We offer a variety of products, including:

- Equities (stocks) including warrants
- Investment funds such as mutual funds, Exchange Traded Funds (ETFs) and Limited Partnerships
- Private Placements and new issues (Initial Public Offerings and secondary offerings)
- Cash and cash equivalents
- Fixed income or debt securities

Beacon Securities does not offer access to proprietary trading products. We are not a Money Service Business. Currency conversions are offered as an ancillary service to facilitate transactions in securities.

Fees for administration are disclosed to you on the Beacon Fee Schedule which you will receive at the time of account opening. These fees are related to expenses charged by third parties for services delivered to Beacon clients. Should our administrative Fee Schedule change, a new Fee Schedule will be mailed to you at least 60 days prior to any change in the fees taking effect.

Neither Beacon, nor any employee of Beacon, make representations or warranties in respect of the tax treatment of fees and commissions. We strongly recommend that each client seek independent tax advice about how respective fees may impact their individual tax situation.

## **OUR SERVICE OFFERING**

Where applicable, all accounts are offered in both Canadian and US denominations.

**Cash Accounts:** When buying in a cash account, debit balances must be paid in full on settlement date (two days after the trade was executed). Proceeds from a sale cannot be withdrawn until settlement date.

**Margin Accounts:** offer the ability to borrow (leverage) on the existing holdings in the account and based on regulatory loan value rates or more stringent internal credit policies. FCC's Credit Policies will govern the amount that will be loaned on each security. It's also important to note, the use of leverage increases the level of risk associated with a margin account and is not suitable to all clients. There is the possibility your investment purchased on margin could go to zero and you would still be responsible for clearing any debit in the account.

**Cash on Delivery (COD) accounts:** the settlement of your trades takes place between our carrying broker (FCC) and your designated custodian on a delivery versus payment.

**Registered Savings Plans (RRSP and RESP) and Registered Retirement Income Funds (RRIF):** These accounts are intended to hold assets until retirement age or children obtaining post-secondary education. These accounts are run in accordance with the regulations and restrictions prescribed by the Canadian Income Tax Act.

**Tax-Free Savings Account (TFSA) & First Home Savings Account (FHSA)** is a registered tax-advantaged savings account that can help you earn money, tax-free.

**NOTE:** *Beacon's Service Offering does not include Fee-For-Service accounts.*

We strive to be fully transparent by disclosing to you the many ways in which we are compensated for the products or services we provide to you. When trading securities, we will add a transaction-based commission to the trade, that has been discussed with your advisor and agreed to by you. Factors that affect the commission amount are the price of the security, speed and quality of the execution and total transaction cost. All commissions are fully disclosed on your trade confirmation and all fees are fully disclosed on your Beacon account statement.

## **EMBEDDED COMMISSIONS AND FEES**

These fees and commissions do not appear on your trade confirmation resulting in these being the least transparent method of payment.

The most common of these are Deferred Sales Commissions ("DSC") and Annual Service Fees on mutual funds. These fees are fully disclosed to you in each mutual fund prospectus and are further disclosed as part of each fund's Management Expense Ratio ("MER"). If you need assistance in figuring out this amount, your Advisor will be pleased to assist you.

- FE or Front-End Load funds: Pays an ongoing Annual Service Fee or "trailer" to the advisor of up to 1.25% per year. The advisor has the ability to charge an additional front-end sales charge between 0% and 5% which gets deducted from your investment. These are most used when there is no specific "no-load" version of the same fund available.
- Low Load: Similar to Back-End, or DSC, in structure, a Low-Load fund has a deferred, declining sales charge when the fund is redeemed. However, both the upfront commission to the advisor and the redemption fees are lower. The redemption fees apply to a shorter period, as well.
- NL or No-Load: No initial upfront fees or DSC fees. There is an ongoing trailer to the dealer/advisor of up to 1.25% per year.

**SAMPLE FUND** – The sample fund is a Canadian Equity fund that has a management fee of 1.25% and other fees and expenses of 0.25%. Therefore, the manufacturer's fee to operate this fund is 1.50%. The manufacturer also adds a "service fee". It is this service fee from which commissions are generated. The typical "service fee" is 1.00%. The MER of this fund would be 2.50% which is made up of management fees and other operating expenses of 1.50% plus service fees of 1.00%.

You may incur investment management expense fees or other ongoing fees in connection with certain exchange-traded investment funds, or mutual funds, you purchase through us causing such fees to potentially compound over time and adversely impact your investment returns. We may receive or be expected to

receive benefits directly from such funds in connection with your purchase or ownership of such fund units through us.

**NOTE:** As of June 1st, 2022, DSC type funds were banned for sale in Ontario.

## **SUITABILITY**

How we will assess the suitability of an investment when making recommendations to you:

Before we provide you with recommendations as to which investments to purchase, or if you ask us to buy or sell a security, we will first see if we believe that investment is suitable for you according to our understanding of the information you have given us when you completed the KYC form. That is why keeping this information up to date and correct is especially important. We know many people are concerned about sharing some of this information, however, without all the necessary information, we may decide that the order you provided to us is not suitable for you in the context of your overall portfolio. In that case, we may recommend against proceeding with the order, and we may reserve the right to request that you provide us with communication to acknowledge that we advised against it.

The suitability factors that guide us in our decision as to an investment's suitability include what we understand to be your current:

1. **Financial circumstances:** What financial assets (deposits, investments) and liabilities (debt, mortgage) you have and the sources and amount of your value of your net financial situation (assets minus liabilities).
2. **Investment knowledge:** Whether you consider yourself, or we understand you, to be a novice at investing, have some knowledge or feel you understand some of the new more complex financial products and the associated risks attached to these products.
3. **Investment objectives:** What you tell us are your specific financial goals; this will help us decide the right balance between keeping your money safe, earning income, and increase your capital through growth in the market value of your holdings.
4. **Time horizon:** When you expect to need your financial assets, for example, to buy a house, pay for education or enter retirement.
5. **Risk tolerance:** How comfortable are you with the possibility of losing money, even if you have many years to earn and save.

6. **Investment portfolio composition and risk level:** How the purchase or sale of securities affects holdings in your overall account(s) in terms of allocation of holdings between debt, equity and other classes, and the riskiness of the assets held.

### **Note for Insiders, Industry Professionals and Politically Exposed Persons**

You are usually considered an insider if you are a director or officer of a publicly traded company or have direct or indirect beneficial ownership or control of 10% or more of the company's voting securities. For a better understanding, you should review the definitions of insider and reporting issuer in the securities legislation of your province or territory. A company is publicly traded when its securities are traded on a domestic, foreign, exchange-listed, or an over-the-counter public market. A company is considered not publicly traded if its securities are not freely tradeable. We need information about your status as an insider, so your Investment Advisor will know whether you may be subject to trading restrictions. You are responsible for keeping track of your trading during blackout periods and meeting your obligations to file information about your trades with the relevant securities regulator.

An Industry Professional (PRO) is anyone employed by or married to an employee of a securities brokerage firm that is regulated by CIRO, a stock exchange or an exchange's affiliate or, CIRO.

### **You must tell us if you:**

- Are, became or stopped being an insider of a publicly traded company or of a company that is a reporting issuer under securities laws.
- Alone or as part of a group, hold more than 10% of the shares of a publicly traded company.
- You or your spouse is, became or stopped being an employee, officer, or director of a securities brokerage firm that is regulated by CIRO, an exchange or an exchange's affiliate or, CIRO.
- If you, your spouse or common-law partner, the child of, the mother or father, the mother or father of the spouse or common-law partner, a child of the mother or father of the person (sibling) who holds/has held the position of a Politically Exposed Person, either domestically or foreign, or Head of International Organization?
- Are you connected in any way (such as, but not limited to a business relationship, friendship, extended family member) of a Politically Exposed Person, either domestically or foreign, or Head of International Organization?

### **Trusted Contact Person**

We encourage you to provide us with the name and contact information of a trusted contact person, who should be an individual with whom you are comfortable allowing us to discuss your financial or personal circumstances, in specific circumstances. We may contact your trusted contact person and/or disclose information about you or your account to your trusted contact person:

- (i) if we are concerned that you are being exploited financially
- (ii) if we are concerned about your mental capacity as it relates to your ability to make decisions involving financial matters
- (iii) to obtain the name and contact information of your legal representative, if any; and
- (iv) to obtain your contact information if we cannot get in touch with you.

When you provide us with the name of a trusted contact person, you confirm to us that you have the consent of that person to provide us with their name and contact information and that the person knows you are naming them as your trusted contact. The Trusted Contact Person should not have trading authority over your accounts.

## **UNDERSTANDING RISK TOLERANCE**

Our understanding of your profile is critical. Some of the above factors are easily answered with a “yes” or “no” or a number, however, some are more complex, particularly your risk tolerance.

The combination of these factors that make up your profile will help us suggest the allocation of your holdings between, for example:

- Fluctuation in the market value of securities.
- The riskiness of both individual securities and the combination of securities in your portfolio.
- Whether to borrow to invest rather than paying in cash only.
- Fluctuation of interest and exchange rates.
- Illiquidity of investments or no market to sell or no buyers to purchase your securities.
- The risk that a change in laws and regulations will materially affect a security, business sector or market.
- The risk of not investing and of holding savings in a deposit account where over time the investments do not keep pace with inflation due to low interest rates.

Below we provide a summary of the procedures we use to help you understand how we bring all the information you provide to us into decisions as to what investments to recommend to you.

## HOW WE ASSESS SUITABILITY

1. Based on discussion with you and your answers on the KYC form, we decide whether you are a risk-averse client, somewhat risk-tolerant or can accept higher losses in the search for higher gains.

*Investing in securities is inherently risky, as the value of individual securities is not guaranteed and can fluctuate significantly. The risks your investments may face include, among other things, issuer-specific risks (type of product; business, sector, or industry risk), general market risk, macroeconomic conditions, interest and exchange rate risk and liquidity. You could lose a portion of, or even all, your original investment.*

2. We rate investments as low, medium, or high risk. For example, a GIC is low risk whereas borrowing to invest in stock from companies in developing countries is high risk.

If, when placing an order, what you would like to invest in is not consistent with what is in line with your profile, we will recommend against proceeding with the order. If the amount is sufficient to call for an adjustment to your KYC, you will be asked to update your KYC.

## SUITABILITY REVIEW

We will also conduct a suitability review in context of the order or strategy and the six KYC suitability factors when:

1. Accepting each of your orders or.
2. Recommending a security or strategy to you.
3. Securities are deposited or transferred to your account/(s).
4. The advisor responsible for the account changes.
5. There has been a material change in your personal or financial circumstances or objectives.
6. During a periodic supervisory review of accounts.

If during the suitability determination we identify any concerns, we will discuss them with you. If we are strongly concerned about the disconnect related to suitability, it may result in us terminating the relationship.

To ensure that the position(s) held in your account or accounts is/are suitable for you as time passes, we will review the suitability of the investments in your account(s) and your holdings altogether:

1. Annually, and
2. When required due to one of the reasons described above.

Given the long-term nature of investing for most clients, we do not automatically review the suitability of the investments in your account(s) when there are market

fluctuations, even large fluctuations. Your Investment Advisor is ready to discuss the effect of market fluctuations on your portfolio with you when you request it. We encourage you to speak with your Investment Advisor, especially if you expect the need to convert your assets to cash in the near future (for example, for a major purchase such as a house), if you would like to change your expected retirement date and in the case of other major changes to your KYC profile.

### **SOME OF THE RISKS ASSOCIATED WITH INVESTING**

Your Investment Advisor will make recommendations to you for suitable investments, and you are responsible for making all investment decisions in your account. When you are making investment decisions, it is important that you consider the risks associated with investing. The common types of investment risks may include, but are not limited to:

- **Credit Risk.** An issuer of a fixed income security may be unable to make interest payments or pay back the original investment.
- **Concentration Risk.** A high concentration of assets in a single or small number of issuers may reduce diversification and liquidity within a portfolio and increase its volatility.
- **Equity Securities Risk.** Equity securities are affected by stock market movements, and equity securities of certain companies, or companies within a particular industry sector, may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the industry.
- **Liquidity Risk.** Some securities may be illiquid because of legal restrictions, the nature of the investment itself, settlement terms, a shortage of buyers or other reasons. Generally, investments with lower liquidity tend to have more dramatic price changes and may subject the investor to losses or additional costs.
- **Currency Risk.** The value of securities denominated in a foreign currency will be affected by changes in foreign currency rates or the imposition of foreign exchange controls.
- **Interest Rate Risk.** The value of a portfolio that invests in bonds, mortgages and other income producing securities is affected by changes in the general level of interest rates.
- **Foreign Investment Risk.** Investments in foreign securities may involve added risks resulting from differing reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of certain securities markets.

## THE WAYS WE WILL AVOID, MANAGE OR DISCLOSE CONFLICTS OF INTEREST THAT MAY ARISE AS WE SERVE YOUR, AND OTHERS' INTERESTS

During our usual activities, we assume a responsibility to act fairly, honestly and in good faith with our clients. Given the nature of our business, conflicts of interest may arise in relation to certain activities. In our role as a broker, we act as an agent between buyers and sellers or issuers and endeavour to act in the interests of both parties. We also act as a principal and, from time to time, we trade for our own account. Consequently, some of these business activities may lead to conflicts since we may represent both sides of a transaction. The most common types of conflicts of interest that occur are:

- Between you and Beacon, as well as between you and your Investment Advisor.
- Between you and our other clients: we act for many clients and must allocate investment opportunities among all of them fairly, so as not to favour intentionally one client over another.
- Between us and our related or associated companies.

The types of conflicts of interest that may exist can differ between account types:

We have policies and procedures in place to address the handling of conflicts of interest.

- **We identify** existing and probable material conflicts of interest and take action to resolve.
- **We address** all material conflicts of interest between Beacon and you with the aim of determining what is best for you, the client. We will review and improve our operating procedures to ensure conflict is resolved.
- **We avoid** conflicts prohibited by law as well as conflicts that we cannot effectively control.

In situations that we do not or cannot avoid, where our interests may compete with yours, your interest is always given priority by our acting in one of two ways:

- **We control** or manage acceptable conflicts by physically separating different business functions, restricting the internal exchange of information in person or through systems, reducing the possibility of one part of our organization unsuitably influencing another, removing the financial incentive of an employee to favour a particular product or service over another that may be more suitable, and setting up and testing our operational review and approval processes.
- **We disclose** information about any remaining conflicts to you so that, when you evaluate our recommendations and actions, you can assess independently if conflicts are significant for you. From time to time as situations arise, we will have to disclose to you all existing or potential material conflicts.

Our goal is to address these conflicts in a fair, equitable and transparent manner, consistent with the best interests of our clients. In circumstances where we cannot avoid a potential material conflict of interest, we will disclose such conflicts to you as they arise.

To help you understand and assess material potential and actual conflicts of interest, we have prepared a more detailed explanation of typical conflicts, with examples of what we do in the case of any material ones. It can be found at [www.beaconsecurities.ca](http://www.beaconsecurities.ca) and in your new account package. If you ever have any questions or concerns, whether they involve conflicts of interest or anything else, please ask your advisor for an explanation and more information.

## **OTHER HELPFUL INFORMATION**

We feel you should be aware of general risks when investing. In any investment account you have, there are investment risks that will affect your account(s). The value of individual securities (unless specified) is not guaranteed; nor is the value of your portfolio guaranteed and you could lose part of, even all, of your investments. Unlike bank accounts or guaranteed investment certificates, the value of stocks, bonds, money market securities and funds are not covered by the Canada Deposit Insurance Corporation (CDIC) or the government deposit insurer. However, if Beacon should ever become insolvent, the Canadian Investor Protection Fund (CIPF) provides the following coverage for individuals:

- \$1 million for all general accounts combined (such as cash accounts, margin accounts TFSAs and FHSAs), plus
- \$1 million for all registered retirement accounts combined (such as RRSPs, RRIFs and LIFs), plus
- \$1 million for all registered education savings plans (RESPs) combined where the client is the subscriber of the plan.

## **CIPF Limits for Corporations, Partnerships and Unincorporated Organizations**

- A corporation, partnership or unincorporated organization holding an account with a member firm is generally considered to be separate from its owners or partners for purposes of determining the limit on CIPF protection. The limit on CIPF protection for these types of clients is generally \$1 million for all accounts combined. Some exceptions apply.
- There are exceptions to this general rule for certain types of **personal holding corporations, partnerships and unincorporated organizations** as described in the **CIPF Coverage Policy**. In certain cases where an individual has a controlling interest in one of these types of entities, the accounts held by the entity are not considered distinct from the owner's personal accounts. As such, the owner's interest in these accounts is included in his or her \$1 million limit for combined general account coverage.

**NOTE:** CIPF coverage does not insure against losses due to volatile markets, product suitability, or insolvency of an actual security in an account. Please visit [www.cipf.ca](http://www.cipf.ca) or review the CIPF Brochure online.

## **THE IMPACT OF MARKET RISK ON YOUR INVESTMENTS**

Risks that the value of your investments face include fluctuations in the market value due to micro and macro-economic conditions; risk-return trade-offs; risk relating to concentration; credit; interest and exchange rates; liquidity; structured products and derivatives; and regulatory risk. As the net equity of your portfolio will rise and fall, the value you receive when redeeming a security(ies) or your portfolio may be more or less than its value when you bought it. There is also a risk of not investing and of holding savings in a deposit account. Over time, low interest rates will not allow financial assets to grow, on average, as much as inflation and may reduce the purchasing power of your holdings.

We think that open communication is important in a successful relationship. However, misunderstandings can arise, and mistakes can occur. If you have complaints (or compliments), please let us know. Beacon takes all complaints seriously. We will deal with every complaint fully, objectively and professionally. For more information, please visit us at [www.beaconsecurities.ca](http://www.beaconsecurities.ca)

## **HOW WE RESPOND TO COMPLAINTS**

If you have a complaint about the service or administration of your account(s), we ask that you promptly raise your concern with your Investment Advisor and request a meeting either in person or by phone, to decide if the complaint can be resolved without escalation. If you do not feel it's appropriate to discuss the issue further with your Investment Advisor, you can contact Beacon's Director of Compliance and Operations. After investigating your complaint, we will respond to your service-related complaint either verbally or in writing.

If your complaint is of a more serious nature such as but not limited to:

- Breach of confidentiality
- Theft, fraud, or forgery
- Misappropriation or misuse of funds or securities
- Unsuitable investments or unauthorized trading
- Inappropriate financial dealings

You or a person authorized to act on your behalf should raise your concerns directly to Beacon's Director of Compliance and Operations, Suite 4050 – 66 Wellington Street West, Toronto, ON M5K 1H1

When a complaint alleging a situation like the above is received, CIRO has mandated a procedure for Beacon to follow when responding.

Within 5 business days, we must acknowledge receipt of either a written or verbal complaint with a letter back to you that includes the following information:

- Full contact information of the Director of Compliance and Operations
- Provide an explanation of the internal procedures when handling a complaint of this nature
- Copies of CIRO's approved brochures "CIRO Complaints Brochure" and "How CIRO protects investors"

We will have 90 calendar days to provide you with our written response to your complaint. If we are unable to complete our internal review in that time, we must send you a second letter stating this fact along with the reason for the delay. The letter must include a new date as to when you can expect to receive our response. At any time during our investigation period, we may need to contact you for additional information. Our response letter will include a summary of the complaint, the results of our investigation and our conclusion including our reasons. The letter must include a statement describing the options or next steps available to you, should you not be satisfied with our response.

You may make a complaint to the Ombudsman for Banking Services and Investments ("OBSI") after you have complained to the dealer, at either of the following times:

- If Beacon's Compliance Department has not responded to your complaint within 90 days of the date you complained; or
- After Beacon's Compliance Department has responded to your complaint and you are not satisfied with the response. Please note that you have 180 calendar days to bring your complaint to OBSI after receiving Beacon'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 nonbinding recommendation 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.

## **Québec**

You may also choose to complete and submit to us the Autorité des marchés financiers ("AMF") complaint reporting form available on the Authority's website ([link](#)).

We will review all complaints fairly after gathering the necessary information, reviewing your documents and if necessary, conducting interviews. We will provide you with a substantive response to your complaint, generally within sixty days. If the review process will not be completed within sixty days, we will make you aware of our progress, the reasons for the delay, and our anticipated completion date.

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 meet the eligibility to submit a claim to the Fonds d'indemnisation des services financiers ("Financial Services Compensation Fund").

## **PERFORMANCE BENCHMARKS AND HOW TO USE THEM**

Investment benchmarks are a standard against which the performance of a security, mutual fund or portfolio can be measured. Generally, broad market stock and bond indices are used for this purpose. There are dozens of indices that can be used to gauge the performance of any given investment such as but not limited to; The S&P/TSX Composite, The S&P 500 and The Dow Jones Industrial Average. When evaluating the performance of investments, it is important for you to compare returns against a pre-selected and appropriate benchmark.

Given the importance of having the correct comparison and the diverse nature of its client portfolios, Beacon will not include benchmarks on the monthly client statements. Please speak with your advisor if you have questions about the performance of your portfolio or what benchmark(s) might be proper for you.

## **FINAL COMMENTS**

### **PERSONAL INFORMATION WE NEED TO COLLECT FROM YOU**

The term "personal information" refers to any information that specifically identifies you, including information such as your home address, telephone numbers, social insurance number ("SIN"), birth date, assets and/or income information, employment history and credit history. We will be collecting personal information from you that includes the following:

- Your full name, address, occupation, and date of birth, which is required by law.
- Identification, such as a valid driver's license or passport.
- Your social insurance number for income tax reporting purposes, as required by law.
- Your financial information including annual income, assets and liabilities, and banking information.
- Your current employment.
- Information about third parties such as your spouse if you are applying for certain Services, where this information is required by law.

For legal entities such as corporations, partnerships, trusts, estates or investment clubs, we may collect the information referred to above from each authorized person, partner, trustee, executor and club member, as appropriate. In addition, for the entity we will require from you:

- Corporate Resolution
- Articles of Incorporation or Certificate of Incorporation
- Corporate Profile Report

- Director Listing
- COD Instructions
- CDN and US Tax Forms
- Additional documents, depending on size of entity

## **HOW DO WE USE YOUR INFORMATION?**

We collect and use your personal or business information to give you the best possible service and for the purposes set out in your agreement(s) with us, such as:

- To establish your identity and verify the accuracy of your information.
- To confirm your corporate status.
- To understand your needs.
- To determine the suitability of our services for you.
- To determine your eligibility for our services.
- To set up, administer and offer services that meet your needs, including fulfilling any reporting or audit requirements.
- To provide you with ongoing Service, including executing your transactions.
- To provide you and/or your financial advisor and/or dealer with confirmations, tax receipts, proxy mailings, financial statements and other reports.
- To meet our legal and regulatory requirements.
- To manage and assess our risks; and
- To protect us from error and to prevent or detect fraud or criminal activity.

We collect, use and disclose your SIN, social security number or other government-issued personal or business identification number for income tax reporting purposes, as required by law. In addition, we may ask you for your SIN to confirm your identity. This allows us to keep your personal information separate from that of other customers, particularly those with similar names, and helps keep the integrity and accuracy of your personal information. You may refuse to consent to its use or disclosure for purposes other than as required by law.

## **WE WILL BE PROVIDING THE FOLLOWING DOCUMENTS TO YOU AT THE TIME YOUR ACCOUNT IS OPENED:**

- A full copy of your completed Know Your Client Form and related Account Application Forms (e.g.: Registered Plan Applications, Electronic Funds Transfer Form, etc.)
- Statement of Policies (Complaints and Privacy)
- Canadian Investor Protection Fund (CIPF) ([link](#))
- CIRO Complaints Brochure ([link](#))
- How CIRO Protect Investors ([link](#))
- Beacon Securities Limited Fee Schedule (FCC)
- Beacon Relationship Disclosure
- Strip Bonds and Strip Bond Packages Information Statement ([link](#))(retail)
- Opening an Investment Account ([link](#))

- Beacon Conflicts of Interest
- Beacon Leverage Risk Disclosure

Please find a copy of the relationship disclosure and conflicts of interest posted on our website [www.beaconsecurities.ca](http://www.beaconsecurities.ca)

## **IMPACT OF FEES, SERVICE CHARGES AND OTHER COSTS ON INVESTMENT RETURNS**

The costs associated with maintaining your account, as well as expenses charged within investment products can affect the performance of your investment returns by reducing returns in proportion to fees and charges. Investments can compound in value over time through growth and reinvestment of income. Fees may reduce the amount available to invest and reinvest.

## **HANDLING OF CASH/CHEQUES**

Beacon does not nor do we allow our advisors to accept cash under any circumstances. All cheques for investment purchases should be made payable to Fidelity Clearing Canada ULC (our carrying broker). When writing a cheque, you should never leave the payee's name blank. Likewise, you should never make a cheque payable to your advisor or a numbered company.

A bill payment is the preferred method of sending funds to Beacon Securities. To request funds from Beacon, the best method is setting up electronic fund transfer (EFT) back to your bank. Your Investment Advisor can aid you with setting up both techniques.

## **WE CAN NEVER REPEAT THIS ENOUGH**

Investing in securities is inherently risky, as the value of individual securities is not guaranteed and can fluctuate significantly. The risks your investments may face include, among other things, issuer-specific risks (type of product; business, sector or industry risk), general market risk, macroeconomic conditions, interest and exchange rate risk and liquidity. You could lose a portion of, or even all of, your original investment.