

TD Wealth

Financial Planning
Relationship Disclosure



Thank you for choosing TD Wealth Financial Planning as your wealth management provider. At TD Wealth we are committed to helping our clients meet their financial goals and we believe that it all begins with a strong relationship between the client and their Financial Planner. 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 our responsibilities to you, and the features and operation of the products, services and accounts we offer.

The Relationship Disclosure document contains important information for several different account types offered by TD Wealth Financial Planning. Please review the "Your Account Type and How It Will Operate" section on page 3 for details. Should you need assistance determining what types of accounts you currently hold please contact your Financial Planner. Your Financial Planner will also review the content of the Relationship Disclosure document with you.

We will update this relationship disclosure document when there are material changes to it and provide you with an update at that time.

Nature of Our Relationship With You

What we do

- We will take the time to understand you – and your goals for the future.
- We will work with you to develop a financial plan that identifies the steps necessary to achieve your goals.
- We are committed to working together over the long term as your goals evolve.
- We will consult with other advisors within TD when specialized knowledge is required.

What we ask you to do

Your input as we go through the discovery process and complete the New Account Application, also referred to as the “Know Your Client” (KYC) form is essential to helping us meet your expectations. If we do not have accurate information available to us, our advice to you may be based on incorrect information. As a result, your investments may not align with your tolerance for risk and may not achieve your investment goals. For this reason it is very important that you:

- Provide complete and accurate client information as requested on the application form and supporting documents.
- Keep your personal financial information on file with us up to date.
- Inform us of any changes that could impact your financial situation or your investment needs and objectives.

The Services and Products Offered by TD Wealth Financial Planning

Services

TD Wealth Financial Planning will provide a written Financial Planning analysis, including recommendation, to its clients. The Investment Strategies portion of that plan will be fulfilled by one or a combination of Financial Planning accounts discussed further in the next section.

Products

We offer clients access to the following investment products:

- Cash and cash equivalents such as T-Bills and other money market instruments
- Canadian government and provincial bonds
- Term Deposits and Guaranteed Investment Certificates (GICs)
- Mutual funds

- Managed solutions such as the TD Managed Assets Program and TD Strategic Managed Portfolios
- Insurance products (Life and Health products only)*

*Insurance products are offered only by Financial Planners who are licensed to sell life insurance products with TD Waterhouse Insurance Services Inc.

TD Wealth Financial Planning primarily recommends TD products and services, such as TD Mutual Funds, to clients in preference to third party products and services. While TD Wealth Financial Planning may also recommend third party products and services to clients, TD Wealth Financial Planning is under no obligation to do so.

Your Financial Planner can explain these investment products to you, as well as how they work, their risks and possible returns, and whether they are appropriate for you. For more information, you can also read the investment explanations in *Investments at a Glance*, a booklet prepared by the Canadian Securities Administrators (CSA) for financial consumers. This booklet is available on the CSA website at www.csa-acvm.ca

New services and products

We may offer additional services and products as they are developed. You can find out about new offerings and whether they are appropriate for you by speaking with your Financial Planner or reading information included with your statements or in other communications.

Your Account Type and How It Will Operate

(Please select all that apply)

Transactional Account(s)

Your Financial Planner is responsible for providing suitable and unbiased investment recommendations to you that meet the standard of care expected of a trained investment professional and are based on the Know Your Client information that you provide to them. You or your authorized representative must approve all trading activity in a transactional account prior to execution and are responsible for all investment decisions in your account.

Managed Portfolio Account(s)

TD Strategic Managed Portfolios are offered in Managed Portfolio Accounts. Your investments are managed on a discretionary basis by the firm and invested in a portfolio of mutual funds or pools. Your Financial Planner is responsible for providing suitable and unbiased portfolio recommendations to you that meet the

standard of care expected of a trained investment professional and are based on the Know Your Client information that you provide to them. You or your authorized representative must approve all portfolio selection decisions in writing prior to their execution but you will not be required to approve the day-to-day mutual fund trading decisions occurring within the portfolio.

The Fees You Will Be Paying and How They Will Be Calculated

The fees you will pay for these services will vary depending on whether you have a transactional account or a Managed Portfolio account and encompass the following:

Transactional account(s):

For mutual funds

Mutual fund managers usually charge a percentage fee called a Management Expense Ratio (MER) and transaction costs by deducting charges from fund performance. From the MER, fund managers pay us trailing fees for ongoing services we provide to you. In some circumstances you may also be charged other fees on mutual fund transactions such as early redemption fees, switch fees etc. As mutual fund fees vary by fund manager and product type you should speak to your Financial Planner to understand the charges related to any particular transaction or you can refer to the *Financial Planning Commission Schedule and Statement of Disclosure of Rates and Fees* document provided to you at the time of account opening.

For debt securities

We obtain our remuneration on a spread basis. Where a spread has been charged on a transaction the trade confirmation we provide to you will include the following disclosure as appropriate: "The investment dealer's remuneration on this transaction has been added to the price in the case of a purchase or deducted from the price in the case of a sale".

Managed Portfolio account(s):

Fees for Managed Portfolio accounts are calculated as a percentage of the assets held in the Managed Portfolio account(s) and will be charged against your Financial Planning account(s). Clients entering into this program will complete the *TD Wealth Financial Planning Managed Portfolio Addendum* (the addendum) with their Financial Planner, which will set out this fee and the manner of payment. The mutual funds held in the Portfolio are F-Series and have a reduced Management Expense Ratio (MER) embedded.

F-Series funds are designed for fee-based accounts and do not include any payments to us. There are no additional fees or revenue generated from these accounts except as described in the addendum.

Other fees and charges

On all accounts held at TD Wealth Financial Planning we may also charge fees related to the operation of your account and the holdings of securities in the account. For complete details of these fees and charges please refer to the *Financial Planning Commission Schedule and Statement of Disclosure of Rates and Fees* document provided to you at the time of account opening.

How and When We Will Assess the Suitability of Your Portfolio

We will assess the suitability of your accounts at various points in time as described further in this section. 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 situation: What financial assets (liquid, fixed) and liabilities (debt, mortgage) you have and the sources and amount of your income – we will consider the size of any transaction compared to the overall value of your net financial assets (assets minus liabilities).
2. Investment knowledge: Whether you consider yourself, or we understand you, to be a novice investor, an investor with some knowledge of financial products or an investor that understands complex financial products.
3. Investment objectives: What you tell us are your specific financial goals will help us determine how to balance the desire to protect your principal, generate income, and/or generate capital growth from your holdings/account.
4. Time horizon: The time horizon of a portfolio is the period of time that you expect to keep the majority of your assets invested. You should consider when you are likely to need a substantial portion of the capital in your portfolio. This factor is important in determining the investment strategy for your account and the types of assets that are appropriate.
5. Risk tolerance: In any investment there is a risk of loss of capital. That risk is greater with some investments than others.

There are two primary factors that affect your risk tolerance:

- Your financial capacity to tolerate volatility in your portfolio
- Your willingness to tolerate volatility in your rate of return

Both your financial capacity and your willingness to tolerate volatility and accept the potential of a capital loss are taken into consideration when determining your overall risk tolerance.

6. Investment portfolio composition and risk level: How the purchase or sale of particular 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.

We will provide you with a copy of your Know Your Client (KYC) document at the time of account opening and anytime material changes are communicated to us.

Before we provide you with recommendations for your account, or if you ask us to buy or sell a security on your behalf, we will first determine whether the investment is suitable for you according to our understanding of the information you have provided to us. That is why keeping your KYC information up to date and accurate is very important.

Suitability Review Timing

In the context of the six suitability factors listed above we will assess the suitability of the investments in your account when:

1. Accepting each of your orders
2. Recommending purchasing, selling, or holding a security
3. You deposit or transfer securities into your account on an "in-kind" basis
4. You advise us of a material change in your personal or financial circumstances or your investment objectives or risk tolerance. In that case we will update your KYC information and ask you sign a KYC Update Form, or an updated New Account Application Form as confirmation of our understanding
5. There is a change in the Financial Planner responsible for the account.

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. Your Financial Planner is ready to discuss the effect of market fluctuations on your portfolio with you at your request. We encourage you to speak with your Financial Planner, especially if you anticipate the need to convert your assets to cash in the near future (for example, for a major purchase such as a house), if you are considering changing when you would like to retire, or in the case of other major changes to your KYC information.

Content and Frequency of Our Reporting To You

Trade Confirmations (not applicable to Managed Portfolio Accounts)

When you buy or sell securities, a trade confirmation will be sent to you via your preferred communication method (electronic or by mail) within one business day of the trade date.

It will contain the following information:

- The name of the security that was traded and the total amount paid by you for a purchase or paid to you on a sale
- Any commissions or fees charged for the trade or disclosure that the transaction has been completed on a spread basis

Account Statements

In months where there is activity in your account (exclusive of interest or dividend payments) you will receive a statement of account shortly after the end of that month. Regardless of whether any transactions have occurred, statements of account will be provided to you, shortly after the end of each calendar quarter, or as applicable at the end of TD Waterhouse Canada Inc.'s fiscal year (October 31).

Each statement will contain the following details:

- Your name, address and account number
- The type of account
- Period covered by the statement
- Name, address and telephone number of the Financial Planner serving your account
- Details of each trade during the period including the date of the trade, the name of the security and the dollar value of the trade
- Details of all non-trade transactions such as contributions and withdrawals, dividends, interest earned and paid, transfers and any other transactions that occurred in your account over the previous period
- Total holdings, including name, number of units and representative market value of all securities held at the end of each reporting period

Performance: We do not currently provide you with the return on your investments on your account statements.

Avoiding, Managing, or Disclosing Conflicts of Interest That May Arise As We Serve Your and Others' Interests

We have adopted policies and procedures to assist us in identifying and minimizing any conflicts of interest that we may face. We have structured our businesses so that where possible, conflicts of interest are avoided. Where that is not possible, we inform our clients of the potential conflicts of interest. In all respects, we aim to operate our businesses to ensure that the best interests of our clients are paramount.

For full details on our conflict of interest policies please see the **Statement of Policies** section of the *TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents* booklet provided to you at the time of account opening.

Other Helpful Information

We hope to enjoy a long successful relationship with you and look forward to serving you.

We believe that open communication is the best way to build a strong relationship, however, misunderstandings can arise and mistakes may occur. If you have a complaint, please let us know or refer to the **Client Problem Resolution Process** section of the *TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents* booklet provided to you at the time of account opening, for further guidance.

Checklist Of Documents To Be Provided To You

We will provide you with copies of the following documents pertaining to your account:

1. A copy of the New Account Application Form containing your completed Know Your Client (KYC) information
2. TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents
3. Relationship Disclosure Document
4. Financial Planning Commission Schedule and Statement of Disclosure of Rates and Fees
5. Canadian Investor Protection Fund (CIPF) Brochure
6. An Investor's guide to making a complaint

