

**TRADEX MANAGEMENT INC. -- "KNOW YOUR CLIENT" INFORMATION**

Provincial securities regulators require us to determine the general investment needs and objectives of clients before processing orders for mutual funds.

Name of Client(s) \_\_\_\_\_ SIN \_\_\_\_\_ DOB \_\_\_\_\_  
MM/DD/YYYY

(if joint account) \_\_\_\_\_ SIN \_\_\_\_\_ DOB \_\_\_\_\_  
MM/DD/YYYY

No. of dependents \_\_\_\_\_  
 \_\_\_\_\_ **New Client** Or **Updated information for existing client**

<u>Household Net Worth</u>		<u>Household Income</u>	<u>Investment Knowledge / Joint</u>	
Estimated Liquid Assets (investments, cash)	\$ <input type="text"/>	Under \$24,999	<input type="checkbox"/>	Extensive <input type="checkbox"/> <input type="checkbox"/>
Estimated Fixed Assets (real estate etc.)	+\$ <input type="text"/>	\$25,000 - \$74,999	<input type="checkbox"/>	Moderate <input type="checkbox"/> <input type="checkbox"/>
Estimated Liabilities (mortgages, loans)	-\$ <input type="text"/>	\$75,000 - \$149,999	<input type="checkbox"/>	Little <input type="checkbox"/> <input type="checkbox"/>
Estimated Net Worth	= \$ <input type="text"/>	Over \$150,000	<input type="checkbox"/>	

**Guide to Completing the Primary Objective, Risk Tolerance and Time Horizon Section**

Please complete this section for each different type of account you hold at Tradex. Please note that if you hold more than one type of account your primary objective, risk tolerance and/or time horizon may be different for each type of account. This information will be used to assess investment suitability for all your holdings within each account type (for example, all of your RRSP holdings even though they may be invested in mutual funds issued by a number of different mutual fund companies).

A description of the definitions for primary investment objective and risk tolerance appears on page two.

Account Type	Primary Objective			Risk Tolerance					Time Horizon		
	Income	Long term Growth	Balanced	Low	Low to Medium	Medium	Medium to High	High	< 5 yrs.	5-10 yrs.	> 10 yrs.
Open	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RRSP/RRIF	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TFSA	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I would be comfortable investing, under appropriate conditions, a portion of my overall portfolio at Tradex in the following higher risk types of funds:

- |                              |                          |                                   |                          |
|------------------------------|--------------------------|-----------------------------------|--------------------------|
| Foreign equity mutual funds  | <input type="checkbox"/> | Emerging Market Funds             | <input type="checkbox"/> |
| Sector specific mutual funds | <input type="checkbox"/> | Labour Sponsored Investment Funds | <input type="checkbox"/> |

I acknowledge receiving this form.

**Client Signature(s)** \_\_\_\_\_ / \_\_\_\_\_

**Date of Client Signature(s)** \_\_\_\_\_ / \_\_\_\_\_

Reviewed By: _____	Date <input type="text"/>
Notes:	

## **Description of definitions for Primary Investment Objective and Risk Tolerance**

### **Investment Objective:**

Income Objective – Your primary objective is to generate current income from your investments and you are less concerned with capital appreciation. Investments that will satisfy this objective include fixed income instruments such as GICs, bond funds and money market funds. While Canadian dividend funds and well diversified Canadian equity funds that stress investing in companies that are stable and provide dividend income that is comparable to the interest income on bond funds may meet an income need for suitability purposes, a growth objective is required as they have both income and growth components.

Growth Objective – Your primary objective is capital appreciation. Current income from investments is not an important requirement. This will likely lead you to hold a relatively high proportion, or 100%, of your portfolio in funds that invest in equities provided you have at least a moderate risk tolerance. It is not realistic for you to have a growth investment objective without having a long-term investment horizon.

Balanced Objective – Your primary objective is a combination of income and growth. An account with a balanced objective will seek a combination of investments that provide both current income, either in the form of interest income or dividends and the potential for some capital appreciation. The proportion of fixed income investments versus equity investments in the “income” portion of the objective will depend to a great extent on your risk tolerance and time horizon, as well as the prevailing interest rate environment and relative attractiveness of dividend yields versus yields on fixed income securities. Any investment in equities that satisfy the income portion of the objective will consist of Canadian dividend funds and well diversified Canadian equity funds that stress investing in companies that are stable and provide dividend income that is comparable to the interest income on bond funds. The plan would typically include at least 30 percent fixed income investments and no more than 69.9 percent in equity investments.

In general, those individuals who would be comfortable investing a total of 10% or more of their assets in any combination of foreign equity funds, sector specific funds and/or labour sponsored funds would be viewed as having a “high risk tolerance”. Therefore, if you own any of these types of funds and/or feel comfortable purchasing them in the future in a particular Plan you should indicate that you have a “high risk tolerance” with respect to investing in that Plan. Otherwise, Tradex may be prohibited from allowing you to purchase such funds in the future.

### **Risk Tolerance:**

Low – Low risk investments demonstrate a low volatility and are for investors who are willing to accept lower returns for greater safety of capital. Portfolios may include such investments as GICs, money market mutual funds, short-term bond funds and bond funds with a high proportion of Government of Canada and provincial government bonds.

Low to Medium – Low to Medium risk investments demonstrate a low to medium volatility but a higher volatility than those described above. In addition to the investments noted above, low to medium risk portfolios may include regular bond funds, Canadian dividend funds and relatively conservative Canadian equity funds.

Medium – Medium risk investments demonstrate a medium volatility and are for investors that are looking for growth over a longer period of time. In addition to the investments noted above, medium risk portfolios may include well-diversified Canadian equity funds, well-diversified U.S. equity funds and certain well-diversified international equity funds.

Medium to High – Medium to High risk investments demonstrate a medium to high volatility and are for investors that are looking primarily for long term growth. In addition to the investments noted above, medium to high risk portfolios 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. In addition to the investments noted above, high risk portfolios may include labour-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.