

RELATIONSHIP DISCLOSURE INFORMATION

Introduction

As a client of Optimize Wealth Management (“Optimize”), it is important you understand your relationship with us. The Relationship Disclosure Information document (“RDI”) provides you with important information about our roles and responsibilities, your accounts at Optimize and the services available to you. We ask that you take the time to read this document carefully.

Not all information outlined in the RDI may apply to your personal circumstances or your relationship with Optimize, if you have questions, please contact your Portfolio Manager.

In this disclosure, we refer to Optimize Wealth Management as “we”, “us”, “our”, or “Optimize”.

Along with the Portfolio Management Agreement (“PMA”) you entered into with us when you open an account, this disclosure describes your relationship with us. By accepting the PMA and maintaining an account with us, you confirm that you have received this disclosure, understand its contents, and acknowledge your consent to both the Agreement and the information outlined in this disclosure.

A current version of this document will be provided to you at account opening, is available on our website at www.optimize.ca, as well as online links shared with you. When there is a material change to this document, Optimize will notify you electronically and provide a link to the updated version on our website.

About Us

Optimize Wealth is a people-driven, values-based, future-focused firm. Working together, our people build teams, families, communities and a better future.

We are the next generation in premier wealth management. We judge our success and value based on how well your financial goals are achieved, not ours. We provide our clients with personalized financial solutions and advice to help them at every stage of their lives. Our financial services and solutions cover everything from financial planning and portfolio management to tax preparation, insurance solutions, debt management, and will preparation.

Our head office is located on the 45th floor – 161 Bay Street, Toronto, Ontario M5J 2S1. You can reach us toll free at [1-866-209-6862](tel:1-866-209-6862) or by email: prosper@optimize.ca

Optimize is a registered portfolio manager, investment fund manager and exempt market dealer registered under the securities laws of Ontario. Optimize provides investment advice, discretionary portfolio and asset management services in accordance with each client’s Portfolio Management Agreement.

As a *Portfolio Manager*, Optimize provides portfolio management services to private clients and the funds it manages.

As an *Investment Fund Manager*, Optimize is responsible for the day to day business affairs of the various pooled funds it manages.

As an *Exempt Market Dealer*, Optimize allows clients to invest in its own private pools as required.

More detail about Optimize can be found on our website at <https://optimize.ca/>.

Optimize is the trustee, investment fund manager and portfolio manager of a suite of private, pooled investment trusts, which form the building blocks for the Model Portfolios (the “Optimize Funds”). *The Optimize Fund Disclosure Document contains important information regarding fees and expenses, risk factors and other information related to the Managed Accounts and Optimize Funds.*

Our Products and Services

Our Services

Optimize acts as a portfolio manager for your discretionary managed accounts, which means we make investment decisions based on the information you provided us as part of the Know-Your-Client (“KYC”) collection process. The KYC describes

your investment objectives, time horizon and liquidity needs for each of the individual accounts you open with us. Your Portfolio Manager (“PM”) will use this information to invest in a Model Portfolio as agreed to in the Investment Policy Statement (IPS), as well as the PMA.

In addition to portfolio management services, we offer other professional services through our experts, which are covered by the management fee you pay us. Included in this service offering is expertise in financial planning, estate planning, will preparation as well as tax preparation.

Our Products

Optimize offers a suite of private pooled investment funds, used in the construction of the Model Portfolios. You can find detailed information on the Funds in the Optimize Fund Disclosure Document.

The Optimize Funds are used exclusively in the management of your investment account at Optimize. As they are proprietary investment products, they are not available at other investment firms. They may not be transferred in kind to other firms.

Your Managed Account with Optimize

Accounts are managed on a discretionary basis by Optimize under the direction of an appropriately licensed PM and in accordance with the mandates established by your KYC information, IPS and PMA. In rare circumstances there may be assets held in your account which are excluded from the PM’s discretionary authority. For example, you may have deposited securities (“Legacy” positions) into your account which cannot be sold due to market conditions or other trading restrictions. In these circumstances, we will note this fact on your file, and we will only transact on those investments based on your instructions. Although we are responsible to conduct a suitability assessment on these investments, we are not responsible for the investment performance of such securities.

Management Fees and Fund Level Fees

Account Level

You will be charged a management fee regardless of your account performance, as per the Fee Schedule provided to you at account opening. The fee will be calculated on the value of Optimize Funds and cash weighting held within each of your accounts, charged to your account monthly in advance. Account level fees will be deducted directly from your account as per the PMA and appear as a line item on your account statement identified as “management fees”.

We do not charge additional fees to operate or maintain an account with us. All these costs form part of the account level management fee we charge you; however, you may be charged third-party fees, outlined in the paragraph on Custodial and other Operating Fees.

We will provide you with at least sixty (60) days notice in writing prior to charging any new or increased charges associated with the operations, transfer or termination of your Account.

Fund Management Fees and Expenses

Optimize earns Management Fees from the Optimize Funds set at 0.70% of the Net Asset Value (“NAV”) for each class of funds it manages. In addition to this Management Fee, the Funds may also bear the cost of any appropriate expense associated with the ongoing operations of the funds. The Fund Management Fee and costs are described in the Optimize Fund Disclosure Document under “Fees and Expenses”. As fees and costs are charged directly to its respective Fund and reflected in the calculation of the NAV for each Fund, they will **not** be included in your fee disclosures on your account statements or on the Annual Report of Charges and Compensation. They are detailed in the semi and annual Fund Financial Statements sent to unitholders.

Fund Level Performance Fees

Optimize will earn a Performance Fee on the Optimize Premium Yield Fund and the Optimize Growth Equity Fund. The fee is set to 20%, calculated each calendar quarter based on the positive difference between the NAV and a High Water mark. The Performance fees are described in detail in the Optimize Fund Disclosure Document under “Performance Fees Paid by Optimize Private Opportunities Funds”.

Custodial and other Operating Fees

Segregated portfolios held at NBIN may be charged additional fees as outlined in the Fee and Service Disclosure sent by NBIN directly to you at account opening. In addition, we have negotiated preferential custodian fees with NBIN and have passed the reduced rates on to you as our client.

Impact of Fees and Expenses on Your Returns

The fees and expenses described above reflect the value of our portfolio management and other services and will affect the returns on the investments in your account by reducing the returns in proportion to fees and expenses. Over time, similar to the compounding effect of performance returns, the compounding effect of these fees and charges will affect how your portfolio grows.

Opening an Account with Optimize

We act as a portfolio manager on your behalf and are required to obtain certain KYC information from you before executing any transactions. We are required to put your interests first, ahead of our own interests and any other competing considerations, when making any recommendations or taking any investment action in your account.

KYC and Suitability

To meet our suitability obligation, we are required to collect and maintain current and appropriate KYC information to ensure our actions are suitable for you. In order to satisfy our regulatory requirements, we require certain personal and financial data, which includes your name, age, address, telephone number, e-mail address, occupation, financial situation (income and net worth) and other information pertaining to your family. The information collected will be used:

- a) to establish your identity
- b) to establish whether you are an insider of a reporting issuer
- c) to establish your investment needs and objectives
- d) to understand your personal circumstances
- e) to establish your investment time horizon
- f) to note your investment knowledge
- g) to assess your financial circumstances, and
- h) to determine your risk profile, which is made up of your willingness to take on risk (your risk tolerance) and our assessment of your financial ability to take on risk (your risk capacity).

Optimize is required to take reasonable steps to confirm that recommendations made to you to invest in the Optimize Funds are suitable for you and put your interests first. This means we will ask you from time to time to provide us with updated KYC information. At least annually your PM will ask you to confirm your KYC information, and for you to provide any updates as necessary. This will ensure that we continue to manage your account in a suitable manner.

We will also assess suitability on a periodic basis, including in the following circumstances:

- a) when there is a change to your PM;
- b) when we are informed about changes to your KYC information; and
- c) in response to certain changes to market conditions.

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:

- a) if we are concerned that you are being exploited financially;
- b) if we are concerned about your mental capacity as it relates to your ability to make decisions involving financial matters;
- c) to obtain the name and contact information of your legal representative, if any; and
- d) 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.

If we reasonably believe that you are in a vulnerable position and are being financially exploited or that you are experiencing diminished mental capacity which may affect your ability to make financial decisions relating to your account(s) with us, we may place a temporary hold on a particular transaction. A vulnerable position includes where an illness, impairment, disability or aging-process limitation places you at risk of financial exploitation. If we place a temporary hold on a particular transaction, we will provide you with notice, either written or verbal, explaining our reasons for the temporary hold, and at least every 30 days thereafter until the temporary hold is revoked. We may also contact your Trusted Contact Person about a temporary hold.

Your Relationship With Optimize

It is important that you actively participate in our relationship. In particular, we encourage you to:

- a) keep us fully and accurately informed regarding your personal circumstances. Promptly advise us of any change to information that result in a change to the types of investments appropriate for you, such as a change to your income, investment objectives, risk tolerance, time horizon or net worth;
- b) review the documentation and other information we provide to you regarding your account, transactions conducted on your behalf and the holdings in your portfolio; and
- c) ask questions and request information to address any questions you have about your account, transactions conducted on your behalf or the holdings in your portfolio, or your relationship with us or anyone acting on our behalf.

Custodial Arrangements

Optimize does not take physical custody of your assets or accounts; all of your assets and accounts are held in your name by an external custodian. The primary benefit of having a third-party custodian is to minimize risk of loss.

Managed Assets are held at National Bank Independent Network (“NBIN”), who is responsible for holding the securities and cash held within your Managed Account. NBIN is responsible for the safekeeping and recordkeeping of all securities and cash, and for providing you with ongoing statements on a timely basis. Although NBIN is responsible for delivering these statements to you, both Optimize and NBIN are responsible for ensuring the accuracy of the statements. Should you have any questions related to your statements, you may contact NBIN directly at the contact details provided to you at account opening or at:

National Bank Independent Network
130 King Street West #3200
Toronto, ON M5X 1J9

Attn: Todd Brennand

Telephone: 416-542-2200 Email: NBINinformation@nbc.ca

Optimize has trading authority, granted by you over your assets held at NBIN. We do not have access to those assets and we are not authorized to transfer securities or cash into or out of your account, except in the limited circumstances as described in the paragraph below. NBIN is independent to us and is required to segregate client assets from its own assets and is subject to regulatory oversight, minimum capital and insurance requirements. NBIN may hold securities on your behalf in its name as your nominee. They may appoint sub-custodians to hold client assets in foreign jurisdictions or to hold assets other than cash or securities. Client assets are subject to risk of loss: (i) if the Custodian becomes bankrupt or insolvent; (ii) if there is a breakdown in the Custodian’s information technology systems; or (iii) due to the fraud, willful or reckless misconduct, negligence or error of the Custodian or its personnel. Optimize has reviewed the Custodian’s reputation, financial stability, relevant internal controls and ability to deliver custodial services and has concluded that the Custodian’s system of controls and supervision is sufficient to manage risks of loss to client assets in accordance with prudent business practice.

NBIN is a Canadian investment dealer and is regulated by Canadian Investment Regulatory Organization (“CIRO”) and is a qualified custodian under applicable securities law. Each client Managed Account held at the Custodian is insured by the Canadian Investor Protection Fund (CIPF) in an amount up to \$1,000,000.

Although your assets are held by the NBIN, as per the PMA, you have granted Optimize access to your assets in the following circumstances:

- a) to accept delivery of securities or cash on a temporary basis to facilitate a deposit or the settlement of a trade;
- b) authority to transfer cash from your account at NBIN to your financial accounts;
- c) to withdraw funds or securities from your accounts, in limited circumstances;

- d) authority to debit your account to pay bills on your behalf, including management fees; or
- e) act as trustees of trusts in which you are the beneficial owner.

In these cases, you have granted access for convenience and efficiency to Optimize in the management of your assets. Granting us access, even in the limited circumstances as above, will expose you as the client to risk of loss: (i) if there is a breakdown in our information technology systems; or (ii) due to the fraud, willful or reckless misconduct, negligence or error of Optimize or its personnel. In addition, we are required under applicable securities laws to insure against the additional risk of loss which arises due to its access to client assets.

Account Statements and Performance Reporting

Quarterly Account Statements

You will receive on at least a quarterly basis an account statement issued by NBIN. It will set out each transaction executed during the reporting period, including the dates on which these transactions took place, and the names of quantities of the securities involved. Your quarterly account statement will provide details regarding the names, quantities, costs and current values of the securities held in your account.

Annual Report on Charges and Other Compensation and Investment Performance

On an annual basis, we will provide you with a consolidated report on charges, other compensation and investment performance. This statement will detail the fees you paid: operating, transaction or other charges related to your managed account, and if applicable, any charges relating to the purchase or sale of debt securities. The annual report also includes your money-weighted returns over various time periods and the performance of your accounts net of fees. The money-weighted rate of returns measure how well your account has performed, taking into consideration the timing of your personal deposits and withdrawals, as well as most of the cost charged to your account.

Privacy Policy

Optimize has adopted a policy outlining collection, use and disclosure of personal information which can be found on its website at <https://optimize.ca>.

If you have a privacy matter you want to report please contact: compliance@optimize.ca or 1-416-900-6604 and we will respond to your concern in a timely manner.

Risks

Securities laws require us to provide all clients with a description of risks that you should consider when making an investment decision. Depending on the nature of your investment, the type of investment risk will vary; below is a brief summary of some of the investment risks for you to consider. More details of investment risks applicable to the Optimize Funds, can be found under “Risk Factors” in the Optimize Fund Disclosure Document.

Capital risk: the risk that you may lose the money you invest.

Business risk: the risk inherent in the operations of the entity or industry in which you have invested.

Currency risk: the risk associated with currency fluctuations if you invest in non-Canadian dollar denominated securities, or in companies whose businesses are carried out in foreign jurisdictions which create exposure to foreign currency fluctuations.

Interest rate risk: the risk that the principal of a debt instrument that you’ve invested in will go up or down as the interest rates in the economy go up and down.

Commodity risk: the risk that exposure to certain commodities, or to companies whose business is dependent on commodities, may be directly affected by movements in the price of the commodities.

Concentration risk: if you invest in relatively few securities, then this can result in a lack of diversification across all sectors, regions or countries and may result in higher volatility of your investment performance.

Specialization risk: if you invest primarily in one industry or market capitalization range, then this may cause your investment performance to be more volatile and strongly affected by the overall economic performance of the area of specialization.

Risk of loss: investing, in general, has risk associated with it, including the risk that the investor may lose a portion or all of an investment.

Risk of loss of key personnel: the business you invest in may be dependent on a small number of key officers and employees, the loss of any of whom could have an adverse effect on your investment.

Leverage risk: the risk of loss associated with borrowing.

Risk of Using Borrowed Money to Finance an Investment

Optimize does not lend money, extend credit or provide margin to its clients. Margin is available for your account from NBIN and Optimize may trade on margin for your account if it is considered a suitable investment strategy for you. Any use of margin would be approved by you in advance in your IPS.

Using borrowed money to finance the purchase of securities or make other investments involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remain the same even if the value of the securities purchased declines. Using borrowed money to purchase securities can magnify the gain or loss on the cash invested. It is also important that you are aware of the terms of any loan that is secured by securities or other investments. The lender may require that the amount outstanding on the loan does not rise above an agreed percentage of the market value of the securities or other investments. Should this occur, you will be required to pay down the loan or sell the investments so as to return the loan to the agreed percentage relationship.

Please note that Optimize may use margin when managing the Optimize Private Opportunities Funds, as described in the Optimize Fund Disclosure Document. The use of margin within an Optimize Fund does not constitute the use of margin for your Account, and will not impose any loan obligations on you or your Account.

Conflicts of Interest

A conflict of interest exists when there are circumstances where: (i) your interests, and the interests of Optimize or its personnel (including PMs and Wealth Planners) are inconsistent or divergent; (ii) Optimize or its employees may be influenced to put our interests ahead of your interests; or (iii) monetary or other benefits available to us or our employees may compromise your trust in us.

It is our policy to identify conflicts of interests and ensure we always resolve them in your best interests and ahead of our own. If we cannot resolve a conflict in your best interest we will avoid the activity in its entirety.

Optimize will deliver to you a Conflicts of Interest Brochure which provides details on identified conflicts of interest. It will be delivered to you at account opening, posted on our website and you will be notified as we identify or update any conflicts of interest we have identified.

Potential conflicts of interest include:

- a) Referral arrangements
- b) Sales practices, compensation arrangements and incentive practices
- c) Conflicts of interest in fee-based accounts
- d) Outside Activities
- e) Proprietary products
- f) Relationships with issuer

Optimize will provide you with information about any conflicts of interest that may reasonably affect the services we provide at the time of account opening and in certain situations before investing your account. Disclosure will be provided in a timely manner so that you have a reasonable amount of time to assess the conflict.

The Role of a Wealth Planner

In addition to investment management, and as part of our Family Office Service offering, Optimize provides clients supplementary services, such as financial planning, tax and will preparations as well as estate planning. These services are delivered through a Wealth Planner, who will be the primary contact for your account, with the exception of investment management. Your PM will continue to manage your investments in the Optimize Private Client Program. The supplementary services are available to all clients of Optimize and are included with the fees you already pay.

The Wealth Planners are responsible for:

- a) Creating Financial Plans;
- b) Reviewing of Plans on an annual basis;
- c) Coordinating estate planning and preparation of wills;
- d) Coordinating tax planning or tax preparation; and

- e) Providing Insurance Solutions if they are licensed to do so, or to refer you to a licensed Insurance agent where applicable

In some circumstances your Wealth Planner may also be your PM, if they have attained the required accreditations. In those instances where the Wealth Planner does not have the registration to act as a PM, one will be assigned to manage the investments of your account.

Complaints and Dispute Resolution

Schedule “A” describes the complaints and dispute resolution service available to you.

Benchmarks

We do not believe that money should be managed with relative performance in mind, but that absolute wealth creation and its sustainability are of the utmost importance. As a result, we do not benchmark the performance of our Managed Accounts against any indices, but measure our success against the benchmark of producing long-term after-tax returns that are greater than inflation in order to increase our clients’ purchasing power. Some clients may find that comparing their portfolio to a benchmark is a useful exercise for monitoring purposes. Benchmark comparisons can help you determine if your investment approach is delivering the desired results, or whether changes might be called for. Investment benchmarks are also helpful for developing realistic expectations about returns your portfolio can generate over the long-term. Investment benchmarks usually provide a broad measure of the return generated by specific asset classes over a given period. They are often referred to as reference indices since the most common form of investment benchmark is an index - such as a stock or bond index. A benchmark must replicate the security or portfolio you are monitoring as closely as possible for the comparison to be meaningful. Examples of benchmarks would include the S&P/TSX for Canadian stocks, the DEX Universe for Canadian bonds and the S&P 500 for U.S. stocks. For a portfolio composed of securities from several different asset classes, the appropriate benchmark would be a blend of indices weighed according to the portfolio’s asset mix.

Referral Arrangements

Optimize has established referral arrangements and offers (and/or accepts) payments to (or from) third parties for the introduction of potential clients and the provision of financial services. Where you are receiving services which fall under such arrangements, you will receive specific disclosure regarding the nature of the agreement between Optimize and the person or company that is making or receiving the referral.

Schedule “A”

COMPLAINTS PROCESS AND INDEPENDENT DISPUTE RESOLUTION SERVICE

Our Complaint Process

Optimize has policies and procedures for handling client complaints outlined below. If you have a complaint related to any advising or trading activity of Optimize or one of our representatives, we would like to hear from you. Complaints should be in writing and to the attention of the Chief Compliance Officer. Please include any details that would be pertinent to the complaint including, the date, what happened and your expectation. Any complaints with respect to the services provided by Optimize should be directed to Optimize at:

Optimize Inc.
161 Bay Street, 45th Floor
Toronto, Ontario, M5J 2S1
Phone: 1-866-209-6862 Fax: 416-840-4939

Email: compliance@optimize.ca

You may want to consider using a method other than email for sensitive information.

Optimize will acknowledge your complaint in writing, within five (5) business days after receiving your complaint. We may ask you to provide clarification or more information to help us resolve your complaint. In order to help Optimize respond as quickly as possible you should make your complaint as soon as possible after the event occurs, reply promptly if we ask you for more information and keep copies of all relevant documents, such as letters, emails and notes of conversations.

Optimize will provide written notice of its decision within ninety (90) days of receiving your complaint which will include:

- a) a summary of the complaint;
- b) the results of Optimize’s investigation; and
- c) Optimize’s decision to make an offer to resolve the complaint or deny it; and an explanation of our decision.

If Optimize cannot provide you with its decision within ninety (90) days Optimize will inform you of the delay, the reason why and provide a new date for our decision

Taking your Complaint to the Ombudsman for Banking Services and Investments (“OBSI”)

If you are not satisfied with our decision, you may be eligible for the independent dispute resolution service offered by OBSI. Bringing an action to OBSI will not restrict your ability to take a complaint to a dispute resolution service of your choosing at your own expense, or to bring an action in court. Keep in mind there are time limits for taking legal action.

If you are a Québec resident, you may consider the free mediation service offered by the Autorité des Marchés Financiers.

OBSI’s services are provided free of cost and is an independent dispute resolution service available should Optimize not provide its decision within ninety (90) days after you made your complaint, or you are not satisfied with Optimize’s decision. Please keep in mind that OBSI can only recommend compensation of up to \$350,000, which you must agree to when you decide to use their resolution services. There is also a time limitation of 6 years from the time that you first knew, or ought to have known, about the event that caused the complaint. If you are not satisfied with Optimize’s decision, you have up to 180 days after Optimize provides you with its decision to take your complaint to OBSI.

Filing a complaint with OBSI

Contact OBSI

Email: ombudsman@obsi.ca

Telephone: 1-888-451-4519 or 416-287-2877 in Toronto

For more information about OBSI, visit www.obsi.ca

OBSI works confidentially and in an informal manner. It is not like going to court and you do not need a lawyer. During its investigation, you may be interviewed, along with representatives from Optimize.

Once OBSI has completed its investigation, it will provide a recommendation. OBSI's recommendations are not binding to either party, and if you are not satisfied with the recommendation, please keep in mind you may opt to take the complaint to a dispute resolution service of your choosing at your own expense.