

Financial Planning Relationship Disclosure

TD Wealth Financial Planning's Relationship Disclosure (RD) has changed. Below is a copy of the up-to-date RD. Please familiarize yourself with its terms. If you have any questions about the RD, including the recent changes, please contact your Financial Planner.

Thank you for choosing TD Wealth Financial Planning as your wealth management provider. We are committed to providing investment advice and recommendations to help you meet your financial goals.

It all begins with your relationship with your Financial Planner, and an understanding of the role of your Financial Planner and the services we offer.

This Relationship Disclosure document is subject to change. Should there be a significant change, we will inform you. If you have any questions related to the content of this document, please contact your Financial Planner.



Our Relationship with You

We will

- Go through a discovery process and complete the New Account Application with you, also referred to as the “Know Your Client” (KYC) form, to understand your investment goals and circumstances
- Help you to clarify and define your specific financial goals
- Work with you to develop a tailored investment and wealth plan to align with your priorities, and set out timeframes for marking progress towards your goals
- Access TD’s broad capabilities to help you reach the goals set out in your investment plan

Our ask of you

Your input as we go through the discovery process and complete the New Account Application, or the “Know Your Client” (KYC) form, is essential to help us meet your expectations. Our advice to you will be based on the information you provide. Having accurate information helps us tailor our advice to your needs to help you achieve your investment goals.

For this reason it is very important that you:

- Provide complete and accurate information on the application form and supporting documents
- Provide us with updates when there are material changes in your information
- Inform us in a timely manner of any other changes that could impact your financial situation or your investment needs and objectives

The Services and Products Offered

Services

Your Financial Planner will provide a written Financial Planning analysis with recommendations specific to your investment needs. The Investment Strategies portion of your plan may recommend the use of one or more types of Accounts offered by us. We offer the following Account types:

- Commission-Based Advisory Accounts
- Fee-Based Advisory Accounts
- Discretionary Managed Accounts (Managed Accounts)

Available Investment Products

We offer the ability to invest in the following investment products:

- Cash equivalents such as T-Bills and other money market instruments
- Government and provincial bonds
- Term Deposits and Guaranteed Investment Certificates (GICs)
- Mutual funds, including Exchange Traded Funds (ETFs)
- Managed solutions such as the TD Managed Assets Program
- TD Strategic Managed Portfolios Program

Financial Planners with TD Wealth Financial Planning who are licensed to sell life insurance products with TD Waterhouse Insurance Services Inc. can offer you life and health insurance products.

TD Wealth Financial Planning primarily recommends TD Bank Group products and services, such as TD Mutual Funds, to you in preference to third party products and services. While your Financial Planner may recommend third party products and services on occasion, they are under no obligation to do so.

Your Financial Planner can explain these investment products to you, as well as their risks and possible returns, to determine the right mix for you. Information about investments can

be found in the investment explanations in the *Investments at a Glance* 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

As additional services and products are developed, you can find out about them by reading the information included with your statements and other communications from us. You can also speak with your Financial Planner at any time to discuss these products and whether they are appropriate investment options for you.

Account Types and How They Operate

Advisory Account(s) – Commission-Based or Fee-Based

Advisory Accounts may be commission-based or Fee-Based Accounts. In both types of Accounts, your Financial Planner is responsible for providing suitable investment recommendations to you. The investment recommendations will be based on the KYC information that you have provided. You can use the investment recommendations we provide to determine the trading activity in your Advisory Account. All trading activity in an Advisory Account must be approved by you or your authorized representative prior to execution.

Managed Account(s)

Managed Accounts invest in an actively managed mutual fund asset allocation program known as the TD Strategic Managed Portfolios Program. The TD Strategic Managed Portfolios Program offers discretionary managed portfolios for various investment goals and risk tolerances and invests exclusively in TD Mutual Funds. Asset allocation for each portfolio is determined by TD Asset Management Inc. (TDAM) based upon the investment objective of each portfolio and upon TDAM's long term outlook for various asset classes, and may be adjusted tactically to reflect a shorter-term outlook for the financial markets.

Your Financial Planner is responsible for recommending a suitable portfolio within the TD Strategic Managed Portfolios Program to you. The recommendations made will be based on the KYC information you have provided. From this recommendation, you can select your TD Strategic Managed Portfolio. Selection must be made in writing by you or your authorized representative.

Fees and How They Are Calculated

The fees paid by you, either directly or indirectly, will vary depending on whether you have a Commission-Based or Fee-Based Account.

Commission-Based Account(s):

Commission-Based Accounts do not pay a fee to us based on the value of the assets in the account. Instead, we receive compensation from the commissions we charge on trades made by you or indirectly from the trailing commissions on securities held in your Account. The following provides more detail on how we receive these fees:

Debt securities

When debt securities are purchased or sold for your Account, TD Wealth Financial Planning's remuneration is added to the price you pay (in the case of a purchase) or deducted from the price you receive (in the case of a sale). This amount is called a spread. The trade confirmation we provide to you will disclose the spread TD Wealth Financial Planning receives.

Mutual funds

Mutual fund managers usually receive a management fee equal to a specified percentage of the net assets of the fund. Fund managers pay us a portion of their management fee called a trailing commission for the ongoing services we provide to you. As an example, if you have invested \$10,000 in a fund, a trailing commission of 0.50% would pay us \$50.00 annually.

In some circumstances you may also be charged other fees in connection with 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 with your Financial Planner to understand the charges related to particular transactions and refer to the *TD Wealth Financial Planning Commission Schedule and Statement of Disclosure of Rates and Fees* document.

Fee-Based Account(s):

Fee-Based Accounts can be Advisory, where you make the investment decisions based on the investment recommendations we provide to you, or they can be managed on a discretionary basis by us such that we make investment decisions on your behalf.

Fee-Based Accounts calculate fees as a percentage of the assets in those Accounts. Those fees are deducted from your Fee-Based Account(s).

Fee-Based Advisory Account(s)

The TD Wealth Financial Planning Account Update – Conversion to Fee-Based Account Addendum (“the Addendum”) sets out this fee and the manner of payment for Fee-Based Advisory Accounts. Fee-Based Advisory Accounts are designed to hold mutual funds which do not pay a trailing commission. Where mutual fund securities that pay a trailing commission to us are transferred in and held in Fee-Based Advisory Accounts, we will not include the value of those mutual fund securities in determining the asset total of your Account for the purpose of calculating your Account fee. This means that you will not pay a direct fee to us on mutual fund securities which pay a trailing commission to us and they will not be included in determining the fee tiers which are applicable to the calculation of your Account fee.

Managed Account(s)

The TD Wealth Financial Planning Managed Portfolio Addendum (“the Addendum”) sets out the fee you pay to us for the investment management services we provide to your Managed Account and the manner of payment. The only Managed Accounts currently offered by TD Wealth Financial Planning participate in the TD Strategic Managed Portfolios Program which is an actively managed mutual fund asset allocation program that invests exclusively in TD Mutual Funds. The mutual fund securities invested in do not pay a trailing commission to us.

Other fees and charges

TD Wealth Financial Planning may also charge other 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 *TD Wealth Financial Planning – Commission Schedule and Statement of Disclosure of Rates and Fees* document.

Assessing the Suitability of Your Portfolio

We will assess the suitability of investments held in your Accounts at various points in time to make sure they align

with your objectives and tolerance for risk. These suitability factors are informed by:

1. Your current financial situation: We will review your financial assets (liquid, fixed) and liabilities (debt, mortgage) including 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. Your current 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. Your current investment objectives: Your specific financial goals will help us determine how to structure a portfolio to help you meet your investment objectives, which could include protecting your principal, generating income, and/or generating capital growth from your assets
4. Your expected time horizon: How long you expect to keep the majority of your assets invested will impact your investment strategy and the types of assets which are appropriate for you. It is important to consider when you may need a substantial portion of your capital
5. Your 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 the value of your portfolio; and
- Your willingness to tolerate volatility in your rate of return

Both factors are taken into consideration in determining your overall risk tolerance

6. Investment portfolio composition and risk level: How the mix of particular securities in your Account will affect the overall investment risk of your Account.

We will provide you with a copy of your KYC document at the time of Account opening and any time material changes are made to it.

Advisory Account(s)

Before your Financial Planner provides you with recommendations for your Account, or acts on your trading instructions, they will first determine whether the investment is suitable for you according to your most recent KYC information. It's important to keep that information up to date and accurate to help us assess the suitability of an investment for your Account.

Managed Account(s)

As described above, Managed Accounts invest in the TD Strategic Managed Portfolios Program. The TD Strategic Managed Portfolios Program offers discretionary managed portfolios for various investment goals and risk tolerances. Your Financial Planner will recommend a suitable TD Strategic Managed Portfolio to you based on your KYC information. Based on that recommendation, you will instruct TD Wealth Financial Planning on the TD Strategic Managed Portfolio you want to be invested in. Your Financial Planner will endeavor to review your KYC information with you on a regular basis, at least annually, to advise whether the TD Strategic Managed Portfolio continues to be suitable for you. Should your circumstances change, you should contact your Financial Planner to update your KYC information and conduct a review of the suitability of your selected portfolio.

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 the purchase, sale, exchange or holding of any security or mandate
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, 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 your Account

Given most clients invest for the long-term, we do not automatically review the suitability of the investments in your Account(s) when there are market fluctuations. Your Financial Planner is happy to discuss the effect of market fluctuations on your portfolio with you at your request. We encourage you to speak with your Financial Planner if you have any questions or concerns, especially if you anticipate that you will be:

- converting your invested assets to cash in the near future
- considering major changes (for example, a major purchase such as a house)
- changing your retirement timeline, or
- other important changes to your KYC information.

Our Reporting To You

Trade Confirmations (not applicable to Managed Accounts and purchases of mutual funds through a Systematic Investment Plan other than initial purchases)

When you buy or sell securities, we will send a trade confirmation within one business day of the trade date by your choice of electronic or postal delivery.

It will contain the details of the transaction including, but not limited to:

- Security name, marketplace and dates
- Amount paid by you for your purchase or paid to you on a sale
- Amount of any commission, spread, charge or fee applied

Account Statements

You will receive an Account statement:

- Monthly if activity occurs in your Account (excluding interest and dividend payments) in the preceding month or upon request
- Quarterly, whether or not there has been activity in your Account

Each statement for the reporting period will include but is not limited to:

- Your name, address, Account type and Account number
- Name, address and telephone number of the Financial Planner and branch where the Account is maintained
- Book value and market value of all holdings in the Account
- Activity that occurred in the Account for the reporting period
- Account performance and personal rates of return since inception or January 1st 2012 and for 1, 3, 5 and 10 year periods, as applicable

Annual Report on Charges and Other Compensation

Each year, you will receive a report, for the 12 months ended December 31st, which will set out the following:

- the fees and charges related to the operation of your account;
- the amount of any trailing commission received by us in relation to securities held in your account; and
- any compensation, other than trailing commission, received by us from an issuer of securities or another dealer or adviser.

Investment Benchmarks

Investment benchmarks generally provide a broad measure of the return generated by specific asset classes over a given period. An investment benchmark can be used as a standard against which the performance of a security or investment portfolio can be measured. The most common form of investment benchmark is an index – such as a stock or bond index. Some common market benchmarks include the S&P/TSX Composite Index, FTSE TMX Canada Universe Bond, and the S&P 500 Index.

Investment Risks

Investing in securities involves some risks. Risk is often measured by the extent to which the value of the securities fluctuates.

The more frequent and greater the fluctuations, the more volatile the security. Each investor has a different tolerance for risk. Some investors are significantly more conservative than others when making investment decisions. Risk can be reduced by diversifying investments across the three main asset classes: money market investments for security, bonds for income and equity investments for growth. The common types of investment risks that may be applicable to a portfolio of securities include, but are not limited to:

- An issuer of a fixed income security may be unable to make interest payments or pay back the original investment.
- 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 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 particular industry.
- 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.
- 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.
- 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.
- Investments in foreign securities involves additional risks resulting from different reporting standards and regulatory requirements, the amount and reliability of publicly available information, and the volume and liquidity of some foreign stock and bond markets.

This brief description does not disclose all of the risks and other important aspects of investing in securities and the use of derivatives within a portfolio. It is important to take into

account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals.

Conflicts of Interest

We have adopted policies and procedures to assist us to identify and control conflicts of interest that we may face. 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. Since the **Statement of Policies** may be updated periodically, we are happy to provide you with an updated copy upon request.

Other Helpful Information

Client Problem Resolution Process

We look forward to serving you. Our policy is to establish open communication in order to build and maintain a strong relationship between you and your Financial Planner. However, misunderstandings and mistakes can occur. If you have a complaint, please do not hesitate to let us know. Our **Client Problem Resolution Process** is included for your reference in the *TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents* booklet which is provided to you at the time of Account opening.

Checklist Of Documents

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 KYC information
2. TD Waterhouse Canada Inc. Account and Services Agreements and Disclosure Documents, including the Statement of Policies Documents
3. This Relationship Disclosure Document
4. TD Wealth 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
7. How IIROC Protects Investors



TD Wealth Financial Planning is a division of TD Waterhouse Canada Inc., a subsidiary of The Toronto-Dominion Bank. TD Mutual Funds, the TD Managed Assets Program and TD Strategic Managed Portfolios are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank and are available through authorized dealers. TD ETFs are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank. TD Wealth Insurance Services means TD Waterhouse Insurance Services Inc., a member of TD Bank Group. All insurance products and services are offered by the life licensed advisors of TD Waterhouse Insurance Services Inc. The TD Bank Group means The Toronto-Dominion Bank and its affiliates, who provide deposit, investment, loan, securities, trust, insurance and other products or services. ©The TD logo and other trade-marks are the property of The Toronto-Dominion Bank. 40496 (0418)