

**Please read and retain a copy of the following as it contains important information regarding your account(s) and the investments in your account(s) with Lee, Turner & Associates.**

1. Purpose of this Document
2. Relationship Disclosures
3. Client Complaints & Resolution

### **Purpose of this Document**

This document contains important information about our relationship with you, our client. It contains information about us, the services we offer, the nature of your account and responsibilities we have to you.

This client relationship disclosure is required by Canadian securities regulations under National Instrument 31-103.

This document provides other meaningful information such as conflicts of interest and fairness practices of Lee, Turner & Associates Inc. (LTA).

### **Relationship Disclosures**

#### **Conflicts of Interest and Related Parties**

We have a fiduciary responsibility to you, our clients. We are bound legally and ethically to always act in your best interest. How we intend to fulfill our fiduciary responsibility to you is explained as follows: The compensation arrangement between you and us will be straightforward and transparent. You will pay us a fee, and one fee only, for our investment management services. Your fee will be calculated based on a percentage of your portfolio's month-end market values (averaged over 3 months) per our fee schedule. Your fee will rise or fall alongside your portfolio's value and therefore aligns both of our interests. The only financial incentive we have is to manage your portfolio to the best of our ability within your stated investment objectives.

Besides the above stated fee, we will have no further financial motives in providing our services to you. We do not sell investment products and thus will never be paid any commissions, or any other form of compensation related to your investments. We do not participate in the custodial fees that you pay to your custodial agent (Trust Company); these fees are separate and distinct from our fees. We do not pay referral fees to anyone as compensation for making client referrals to us nor will we accept referral fees from anyone as compensation for referring you to their services. We do not receive any rebates or monetary incentives from brokerage firms that we use to execute your securities transactions. We will not conduct securities transactions directly between you and ourselves. We will provide our services to you diligently, prudently, and always in good faith. We will make all reasonable efforts to identify material conflicts between you and us. If at any time we are in doubt as regards whether a conflict of interest arises from a contemplated action on your behalf, we will proceed only if there is an affirmative answer to the question: Will the result of the action be in your best interest?

If at any time we feel that we cannot resolve a conflict of interest between you and us, we will report it to you. If at any time you feel that a conflict of interest exists between you and us, you are to raise the issue of concern to us for resolution in your best interest.

LTA does not make investments for its clients in securities issued by entities that are 'related' or 'connected' to LTA, as those terms are

defined in securities legislation. The related, associated or connected parties to LTA are currently:

- Portzolio Management Inc., a company 100% controlled by Harry Lee
- ETC.COM Management Inc., a company 100% controlled by Eva Turner

Neither LTA nor its advising representatives will, for their own accounts, buy securities from or sell securities to accounts that we manage for our clients. LTA and its advising representatives may from time-to-time trade for their own account in securities that are also held in client accounts but will not do so at times or at prices that will prejudice the interests of our clients.

#### **Your Costs and the Compensation We Receive**

The compensation arrangement between you and us will be straightforward and transparent. You will pay us a fee, and one fee only, for our investment management services. We charge management fees that are based on the market value of the assets that we are managing for each client. These fees, expressed as a percentage of the value of assets under management, are set out in your Investment Management Agreement and will be charged to your account, in advance, on or about the first day of each calendar quarter (e.g. January 1st, April 1st, July 1st and October 1st) and will be based on an average of your portfolio's market value on the last day of each of the three preceding months.

Certain other indirect and incidental expenses may be charged to your account for additional, specific, and personal services or transactions performed by the custodian of your funds. We do not take part in any of these custodial fees.

Fees and charges on your account are normal course of a business relationship but does have the potential to reduce your investment returns. Generally speaking, high fees often lead to low returns. Additionally, given the effect of compounding, excessively high fees can significantly reduce investment returns over time. For you to determine what amount of fees is appropriate for you to pay, you should take into consideration the level of service you receive and the rates of return from your investments when making your assessment. LTA's fees are in keeping with industry norms. Please see our Fee Schedule regarding management fees, transaction charges and other charges.

#### **Commissions**

LTA does not sell investment products and is not paid commissions, nor any other type of compensation related to our investment purchases on your behalf. We do not receive any rebates or monetary incentives from brokerage firms that we use to execute your securities transactions. We have no obligations to conduct securities trading with any brokerage firm.

#### **Outside Business Activities**

Members of LTA may participate in outside business activities such as volunteering work or for-pay work. Such activities must be disclosed, approved, and monitored by the firm to assess the potential for conflicts of interest with our clients.

#### **Gifts or Inducements**

Members of the firm are permitted to 1) give or receive gifts if the estimated value of each gift is less than \$500 and 2) sponsor or attend sponsored events where food, beverages, or entertainment are dispensed if the estimated value of each attendance is less than \$500.

#### **Statements of Account**

### Statements

of account are sent to LTA's clients by the account custodians either monthly or quarterly. The statements will include detailed information, including:

- the name, quantity and price of any securities purchased or sold for your account;
- the settlement date of any transactions made for your account;
- the amount and date of any deposits to or withdrawals from your account;
- the name, quantity and market value of the cash and securities held in your account as at the date of the statement.

The custodians that LTA uses to hold the accounts of our clients are regulated trust companies. All securities held in your account at these custodians are segregated from the custodians' general assets and are registered in the custodian's name as a nominee, held on deposit at the Canadian Depository for Securities Ltd, with you as the beneficial owner. Given that your securities are held separate from the custodians' general assets, creditors to the custodians will have no access to your securities at any time. Your assets, however, are not covered by an investor protection fund.

LTA also conducts periodic verifications of the custodians' statements against our asset and transaction records.

Portfolio holding statements are sent by LTA to clients shortly after the end of each calendar quarter. These statements will confirm the quantity and value of the assets that are held in your account at the end of each quarter. As well, we will provide you with a record of all securities traded over the quarter.

LTA will provide an annual Performance Report and a Compensation Report (fee receipt) at year end to all clients.

### Investment Benchmarks

An investment 'benchmark' is a point of reference against which the performance of a portfolio can be compared. For example, broad stock market indexes like the S&P/TSX Composite Index or the Dow Jones Industrial Index might be used as benchmarks against which investors compare the performance of stock portfolios.

LTA does not generally use benchmarks, and will not do so unless we can identify a benchmark that is validly comparable to the asset mix and risk characteristics of our client's portfolios. We will, however, try to provide clients with a 'best-available' benchmark for comparison purposes upon request.

### Fairness of Allocation of Investment Opportunities

The principal criterion used by LTA in allocating investment opportunities amongst managed accounts is the suitability of proposed purchase and sale transactions as determined by the circumstances and needs of our clients as set out in each client's Portfolio Objectives and Profile. We do not afford priority in the allocation of investment opportunities on the basis of account size or the length of time our clients have been using our services.

When orders for more than one account are entered as a block, or aggregated, the resulting purchase or sale is allocated to participating accounts at the same price (or prices) and in proportion to the size of the initial order entered for their account, though in some circumstances we may take into consideration other relevant factors, including the proportion of the portfolio that the security represents, the weighting of the industry or security type in the portfolio and the cash reserve position in the portfolio.

### Proxy Voting

LTA's policy regarding the voting of proxies for investments that we are held on behalf of clients is as follows:

- LTA will not vote proxies on routine or non-contested governance issues such as appointment of auditors, election of directors or executive compensation. Our reasoning is that in most circumstances these issues have little or no impact upon the value of the underlying investments.
- We will vote proxies on non-routine or contested issues such as corporate reorganizations, takeovers, mergers, spin-offs, capital restructurings or certain other issues that in our view are likely to have a material impact upon the value of our investment. In these situations, we will vote in favour of issues that we believe will result in the long-term maximization of the investment's value.

Clients that do not agree with this proxy voting policy are entitled to vote their proxies as they see fit. If you wish to exercise your right to vote proxies for the securities held in your portfolio please inform your advising representative in writing. On receipt of your instructions we will take steps to facilitate the future delivery of corporate communications and proxies to you directly.

### Privacy and Confidentiality of Client Information

LTA is required to comply with provincial and federal privacy legislation. LTA and its personnel are obliged to protect and safeguard the personal information gathered from our clients and will only disclose that information to third parties with the express prior consent of the clients or in circumstances in which the law allows us, or compels us, to disclose the information.

We collect only the personal information that we believe is reasonably necessary for the proper performance of the services we provide to our clients and we will not sell or otherwise allow that personal information to be used by any other party, other than in the necessary course of providing the services expected by our clients. Relevant personal information may be shared with, for example, the trustees and custodians that provide services to our clients on behalf of LTA, our auditors and appropriate regulatory agencies (subject to certain legal criteria). Inquiries about LTA's privacy policy can be directed to your advising representative.

### Referral Arrangements

LTA has not, and will not, enter into any client referral arrangements with any party where monetary compensations are considered. We do not pay referral fees to anyone as compensation for making client referrals to us nor will we accept referral fees from anyone as compensation for referring you to their services.

### Data Privacy

LTA backs up its computers on Microsoft's cloud-based storage service known as OneDrive. The physical location of the servers used to store your data may be outside of Canada. Unless you specifically request that your data be stored in Canada, we will continue to use OneDrive.

### National Day for Truth and Reconciliation

Every September 30th hereon has been designated a federal holiday. All custodian offices are closed for business on that day. All financial markets, however, remain open with regular trading sessions, unless that date falls on a weekend. The matter of pricing securities as at the close of business, at the last day of September, for statement reporting purposes, is subject to each custodian's

discretion.

Some choose the last business day prior to September 30th and some choose September 30th, if that day does not fall on a weekend. In the latter's instance, if September 30th falls on a weekend, then prices will be as of the last business day prior. We have chosen to use closing prices as of September 30th, with the weekend proviso, when we report to you.

#### Client Complaints & Resolution

LTA is committed to resolving any client complaint fairly and in a timely manner. Please review the below for a full description of our complaint policy.

##### Complaint Resolution

Our complaint resolution process begins when you file a complaint with us. If you have a complaint about our services, please contact:

Chief Compliance Officer  
Lee, Turner & Associates Inc.  
Suite 790 – 999 West Hastings Street  
Vancouver, B.C. V6C 2W2

Email address: [eva@lee-turner.com](mailto:eva@lee-turner.com) to the attention of: Chief Compliance Officer

Tell us:

- what went wrong
- when it happened and, to the extent you know, how it happened
- how you think the matter should be fairly resolved.

We will promptly acknowledge your complaint in writing, typically within five business days. We will inform you of steps that can be taken to engage an independent dispute resolution service, the Office of the Ombudsman for Banking Services and Investments (OBSI), in the resolution of your complaint. We may also ask you to provide additional information or additional documents that will assist us in fairly resolving your complaint.

We will conduct an appropriate review of your complaint and the facts leading up to it and will make every effort to inform you of the conclusions we reach, in writing, within 90 days. Our response will typically include:

- a summary of your complaint
- the outcome of our investigation
- the resolution that we think is appropriate based on the facts that we gather.

If we cannot provide you with our decision within 90 days, we will:

- inform you of the delay
- explain why our decision is delayed, and
- give you a new expected date for our decision.

If you are not satisfied with our decision:

If our response to your complaint is delayed or unsatisfactory, you may be entitled to seek the assistance of the Ombudsman for Banking Services and Investments in resolving your complaint. This dispute resolution service is free and independent of LTA. The OBSI can look into your complaint if:

- we do not provide our decision within 90 days after you made your complaint, or
- we have informed you our decision and you are still unsatisfied; in which case you have 180 calendar days to bring your complaint to the OBSI.

To file a complaint with OBSI, contact:

Email: [ombudsman@obsi.ca](mailto:ombudsman@obsi.ca)

Telephone: 1-888-451-4519

Once OBSI has completed its investigation, it will provide its recommendations to you and us. OBSI's recommendations are not legally binding on you or us. The limit on the amount of financial compensation that the OBSI can recommend is \$350,000.

OBSI's service is available to clients of our firm without charge. The availability of the OBSI does 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.

For more information about OBSI, visit [www.obsi.ca](http://www.obsi.ca)