KEATSCONNELLY

ENRICHING YOUR CROSS-BORDER LIFESTYLE

Canadian Investment Policy Statement

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Investment Policy Summary

Throughout this Investment Policy Statement (IPS), the terms "you" and "investor(s)" refer to “client(s)” identified below, and the term “advisor” refers to KeatsConnelly ULC (KeatsConnelly). The term “portfolio” refers to the assets under discretionary management.

Investor Information :

Client(s)

John and Joan Sample
1234 W. Province Rd.
Calgary, Alberta T2P 3N9
Canada
(555) 555-1234
johnandjoan@example.com

Account Information

Acct. Title	*Acct. Number*	*Custodian*	*Market Value - CAD*
Joint Account	***1234	RBC	$1,000,000
Total:			$1,000,000

Investor Circumstances

Age: John - 50, Joan - 50
Citizenship: John - US/Canadian, Joan - US
Tax residency: Alberta
Working status: Employed
Children: One daughter, one son
Beneficiary: Spouse, children

Primary Objectives

Provide supplementary income to maintain lifestyle through retirement
Leave inheritance

Canadian Tax Rate High

Tax Considerations

Capital loss carryforwards: None
Estate tax potential: Low

Time Horizon

KeatsConnelly will use a long-term planning horizon for your portfolio.

Return/Risk

We project a 5.2% long-term average annual return for your portfolio. Year-to-year returns will vary widely. Based on historical data, the portfolio might lose $115,000 of its value in a single bad year. Please note that losses can sometimes exceed this amount in extreme markets. We cannot guarantee a maximum loss.

Risk Score

60 for John and 60 for Joan in April 2016. These risk scores show that the chosen 60% equity allocation is comfortable for you both.

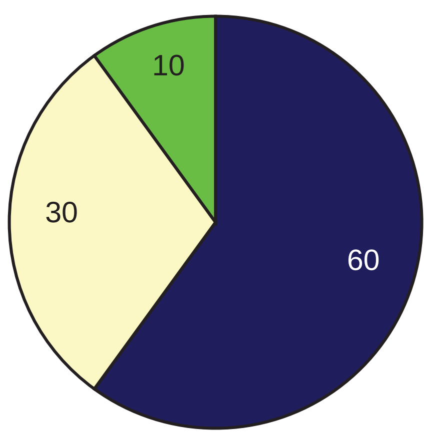
Asset Allocation

Your portfolio allocation is 60% equity. The below model reflects initial allocations at KeatsConnelly for your managed portfolio. Actual percentages may drift over time. Rebalancing decisions will take into account not only the variance but tax and transaction costs as well as defensive or opportunistic considerations.

Asset Allocation Table

Category	Holdings	%
Equity		**60.00%**
	Foreign Equity	24.00%
	US Equity	19.20%
	Inflation Hedges	12.00%
	Canadian Equity	4.80%
Fixed Income		**30.00%**
	Canadian Fixed Income	24.00%
	Foreign Fixed Income	6.00%
Cash		**10.00%**
	Cash Alternatives	10.00%

Chart



Cash Target / Anticipated Withdrawals

A cash target of $50,000 will be maintained on this account. The annual withdrawals from your portfolio will be approximately $10,000.

Currency

The portfolio will be invested in securities that are registered in Canada. Some of these securities in both the income and growth portions of the portfolio may contain foreign content. Currencies can add volatility to returns. As a general guideline we will hedge the currencies in the income portion of the portfolio to the Canadian dollar to reduce the swings that can result from currency exposure. We will generally not hedge the currencies in the growth portion of the portfolio back to the Canadian dollar because the additional volatility of currencies can help mitigate the volatility of growth assets. We generally do not make currency decisions based on predictions of the direction and/or magnitude of currency moves.

Benchmark

Your quarterly reports will compare the portfolio's returns with a weighted composite of various market indices. Additional information is available upon request.

Coordination

KeatsConnelly has developed the discretionary portfolio without specific regard for any investments you might hold outside our management.

Liquidity

All funds KeatsConnelly selects for your portfolio can typically be liquidated within three trading days, but some investment types such as small positions in individual bonds may incur substantial cost if sold on the market.

Acknowledgement

Investor: ____

Investor: ____

Date: ____

KeatsConnelly

Advisor: ____

Date: ____

Advisor	KeatsConnelly ULC (KeatsConnelly)
Address	Suite 1400, 350-7th Avenue SW Calgary, AB T2P 3N9 Canada
Phone	800-678-5007
Website	www.keatsconnelly.ca

IPS Process

What Is an Investment Policy Statement?

An Investment Policy Statement (IPS) provides the principles and guidelines for future asset management decisions. In developing this IPS, the advisor has relied on the written trust document (if available), interviews with the trustee(s) and/or other interested parties, and/or specially prepared questionnaires. Its relevance depends on the completeness and integrity of the information obtained.

The Need for an IPS

A written IPS helps protect the portfolio from ad hoc revisions of a sound long-term strategy. In times of market turmoil, investors are often inclined to make emotional decisions that are inconsistent with prudent investment management principles. This IPS is intended to provide a well-thought-out framework for making sound investment decisions.

Steps to Take to Establish an Investment Policy

1. Determine the trust's overall goals and return objectives.
2. Assess an appropriate risk level given the return objectives and investing time horizon.
3. Determine the asset classes and mix appropriate (the “Asset Allocation”) to maximize the likelihood of achieving the investment objectives at the lowest level of risk.
4. Identify any restrictions on the portfolio and its assets and modify the strategy accordingly.
5. Determine the investment methodology to be used with regards to investment (manager) selection, rebalancing, buy-sell disciplines, portfolio reviews and reporting, etc.
6. Implement the decisions.
7. Monitor portfolio performance and update investment policy as needed.

This Investment Policy Statement:

- Establishes investor expectations, objectives and guidelines for investing portfolio assets.
- Defines the roles of the investor and the advisor and encourages effective communication between them.

- Creates the framework for a well-diversified asset mix intended to generate acceptable long-term returns at a suitable level of risk. This framework includes:
  - an appropriate risk posture for the portfolio;
  - a target asset allocation (*i.e.,* the mix between equities, fixed income, and cash, etc.);
  - investment guidelines regarding the selection of investment managers, permissible securities and diversification of assets;
  - criteria for evaluating the performance of portfolio assets; and
  - criteria for rebalancing or taking defensive action with portfolio assets;

This IPS is not a contract and has not been reviewed by any legal counsel. The investor and advisor use it at their own discretion. The investment policies described in this IPS are dynamic and should reflect the investor's current investing status and philosophy. These policies will be reviewed and revised periodically to ensure they adequately reflect any changes related to the portfolio, the investor, or the capital markets.

It is understood that there can be no guarantee about the attainment of the goals or investment objectives outlined herein.

Risk Tolerance

Returns are the potential rewards for accepting risk. Investors with high risk tolerance are more willing to accept fluctuations in portfolio value if they believe they may realize better returns in the long run. Investors with low risk tolerance prefer less volatility and will settle for lower rates of return to have a more stable portfolio. In general, one must take on greater investment risk to realize higher long-term returns. At different times the same investor can have a different risk tolerance based on personal circumstances, market outlook, or even short-term emotion.

KeatsConnelly believes the proposed portfolio appropriately balances the need for return with relevant risk considerations based on the following data:

- Assets and cash flows,
- Investment goals and time horizon,
- Past asset class returns, volatility, and correlations,
- Interested party risk profile survey responses (if provided), and

- Our current market outlook.

As of the date of this document we project a long-term average annual pretax return of 5.2% for a model portfolio invested according to the proposed allocation. This estimate applies to the managed portfolio and not necessarily to any outside holdings. Actual returns realized may be less than this expected return. Our projections rely on assumptions regarding asset returns and volatility, and these projections may change significantly when we update our assumptions. Therefore, the risk and return figures represent only our best current estimate of long-term portfolio performance.

In our projections, the single-period loss in a given year did not exceed $115,000 with 97.5% probability; however, this is not a guaranteed maximum loss, and an extreme market such as 2008 can cause losses to exceed our estimates. We may perform additional stress testing to gauge the portfolio's ability to weather a severe market event.

There are also several "event" risks that that could apply to the portfolio:

- Increased inflation - Prices can increase more than expected and can reduce purchasing power as well as cause asset prices to decline.
- Foreign currency risk - If there is a need to spend money in another currency, fluctuations in the exchange rate can reduce purchasing power.
- Increase in consumption - If withdrawals or spending exceed what is sustainable according to our projections, the portfolio may be depleted.
- Changes in tax law - Tax changes can affect the desirability of a certain strategy.
- Model risk - Our assumptions about risk and return may prove inaccurate because of how they are calculated.
- Disability, incapacity, infirmity - Loss of health can increase expenses.
- Death of a stakeholder - The investment mix could become inappropriate and require revision if a death alters the goals.
- Unanticipated longevity - Trust assets may prove inadequate if a beneficiary lives longer than expected.

Some strategies KeatsConnelly uses, such as emphasizing small company and value stocks, investing in emerging markets, etc., may require a long-term planning horizon to provide their expected returns. A shorter time horizon imposes additional constraints on the portfolio and may lead to reduced emphasis on these types of strategies. The stated time horizon ideally reflects both current and eventual beneficiaries' needs.

Returns are the potential rewards for accepting risk. Investors with high risk tolerance are more willing to accept fluctuations in portfolio value if they believe they may realize better returns in the long run. Investors with low risk tolerance prefer less volatility and will settle for lower rates of return to have a more stable portfolio. In general, one must take on greater investment risk to realize higher long-term returns. At different times the same investor can have a different risk tolerance based on personal circumstances, market outlook, or even short-term emotion.

KeatsConnelly believes the proposed portfolio best balances the need for return with your comfort level based on the following data:

- Your overall financial situation, including cash flow
- Your goals and time horizon
- Past asset class returns, volatility and correlations
- Your responses to risk profile questions
- Our current market outlook
- A formal Monte Carlo probability analysis

The Monte Carlo analysis illustrates the expected long-term average annual return and risk for various portfolios based on our statistical projections. Monte Carlo analysis uses several assumptions regarding income, spending, and asset returns, changes in which can greatly affect the results. We update our assumptions regularly. Therefore, the risk and return figures represent only our best current estimate of long-term portfolio performance. Monte Carlo analysis should not be relied upon solely when choosing an allocation or when estimating risk.

Risk has been quantified here as a one-year value at risk (VaR). VaR is a hypothetical single-period loss figure that helps investors determine their ability to handle a large loss. Please note that a single loss could exceed this amount if market volatility diverges from long-term averages. In addition, this figure is based on the starting portfolio value and does not attempt to project how much might be lost as the portfolio grows or decreases. An extreme market such as 2008 can cause losses to exceed our estimates. We may perform additional stress testing to gauge how a severe market event might affect long-term investment success.

There are also several "event" risks that that could apply to the portfolio:

- Increased inflation - Prices can increase more than expected and can reduce purchasing power as well as cause asset prices to decline.
- Foreign currency risk - If there is a need to spend money in another currency, fluctuations in the exchange rate can reduce purchasing power.

- Increase in consumption - If withdrawals or spending exceed what is sustainable according to our projections, the portfolio may be depleted.
- Changes in tax law - Tax changes can affect the desirability of a certain strategy.
- Model risk - Our assumptions about risk and return may prove inaccurate because of how they are calculated.
- Disability, incapacity, infirmity - Loss of health can increase expenses.
- Death of a stakeholder - The investment mix could become inappropriate and require revision if a death alters the goals.
- Unanticipated longevity - Assets may prove inadequate if a beneficiary lives longer than expected.

Some strategies KeatsConnelly uses, including emphasizing small-company and value stocks and investing in emerging markets, etc., require a long-term planning horizon to provide their expected returns. A shorter time horizon imposes additional constraints on the portfolio and may lead to a reduced emphasis on these types of strategies. The stated time horizon encompasses both your own life as well as that of your eventual beneficiaries.

Asset Allocation

Academic research offers considerable evidence that the asset allocation decision outweighs security selection in its impact on portfolio variability and performance. KeatsConnelly has chosen the asset allocation after reviewing the long-term performance and risk characteristics of various asset classes and balancing the risk and rewards of market behavior.

Updating Allocations

Over time, it may be desirable to amend the basic allocation as well as specific weights within each asset category. When such changes are made, updates will be considered part of this IPS.

Rebalancing Procedures

From time to time, market conditions may cause the portfolio's investments in various asset categories to vary from their approved allocations. KeatsConnelly shall periodically review the portfolio and each asset category in which the portfolio is invested in order to make adjustments and bring the portfolio back in line with the target weights. We generally anticipate rebalancing when the portfolio varies from its target equity/fixed income allocation by 6% or more or when individual assets vary significantly from their target allocations. You should recognize that sometimes our best decision could be not to trade, and we may at times allow observed market momentum to play out before rebalancing.

KeatsConnelly uses specific-lot identification when selling securities in taxable accounts, meaning that we generally choose which shares to sell based on what brings you the greatest expected tax benefit. This method provides some influence over how much taxable gain or loss is realized on a sale. When tax-deferred or tax-exempt accounts comprise part of the portfolio, we attempt to put the most appropriate assets in these accounts where possible.

Adjustment To the Target Allocation

Modifications to the approved allocation may be needed from time to time for a variety of reasons. Changes to the basic equity/fixed income split should be made in writing; however, KeatsConnelly may update the weights within each asset category as our research directs. Written notification will not necessarily accompany such changes.

KeatsConnelly Investment Philosophy

An appropriate asset allocation and a well-diversified portfolio are fundamental to long-term investment success.

The right mix of bonds, stocks, and cash helps limit your short- term investment risk. We build portfolios to reflect your overall financial situation while targeting the least possible amount of risk needed to reach your goals.

In public capital markets, profitable short-term opportunities are quickly traded away.

Well- capitalized and informed traders act quickly on new information, so we view the current price of a security as the best unbiased estimate of its true value. Active trading tends to increase costs, so we believe "passive" investments such as index mutual funds and ETFs offer the best long- term investment experience.

Investors should focus on long-term average performance and not chase short-term trends.

Equity markets move toward long- term average return levels over time, and when you invest can greatly affect realized returns; however, investors who try to time when to get in and out of markets usually harm their long- term returns. Therefore, an appropriately built and rebalanced portfolio represents the best way to reach long-

term investment goals. Occasional tactical emphases may help boost returns but should be undertaken very carefully.

Small company stocks and “value” stocks offer higher long-term performance both domestically and internationally.

Historically, stocks of smaller companies and stocks whose prices reflect deep discounting by the market have provided premium returns over long periods of time. We attempt to emphasize these types of assets within an overall portfolio context.

Fixed income investments should reduce a portfolio’s volatility, so it is important to emphasize safety through high credit quality and shorter-term maturities.

The allocation to fixed income (bonds and cash) represents a key risk management tool. While long- term and low- quality bonds can increase current yields, they can also carry significant volatility. For this reason, we generally target safety first, and yield second when building the fixed income portfolio.

Costs detract from returns, so investors should look to limit fund and trading expenses.

Abundant research indicates that funds with lower costs often have superior relative performance. Infrequent trading can also help keep costs down and boost returns.

KeatsConnelly has an investment management style and philosophy that may impact performance relative to relevant benchmark returns. We generally prefer "passive" investment vehicles, including index funds, exchange-traded funds, etc. We believe such vehicles provide the best investment experience based on diversification, low costs, tax efficiency and ample evidence that active managers fail to outperform their benchmark indices consistently. We also tend to emphasize areas of the market expected to have higher long-term returns such as value stocks, small company stocks, and emerging markets. But it is important to recognize that these assets can suffer more than the broad market during market declines.

Frequency of IPS Review

We encourage you to meet with us at least annually to review current progress and future investment outlook. At these meetings we also intend to review and, if necessary, amend this policy statement in light of your changing circumstances or objectives.

Liquidity

Liquidity refers to your ability to sell investment holdings quickly at or near the prevailing market price. All funds KeatsConnelly selects for your portfolio can typically be liquidated within three trading days, but some investment types such as small positions in individual bonds may incur substantial cost if sold on the market. Therefore, we generally avoid selling such holdings prior to maturity. There are also mutual funds with short-term redemption fees that apply if the fund is sold too soon after purchase. Finally, infrequent market events outside our control (e.g., the 2010 "flash crash") may at times lead to delays in trading.

Diversification and Investment Constraints

> ***Portfolio investments shall be limited to securities containing one or more of the following asset categories:***

Assets
Cash and cash alternatives
Domestic fixed income
Foreign fixed income
Domestic equity
Foreign equity
Alternative strategies (e.g., hedge funds)
Inflation-sensitive investments

Some funds may use futures and options to pursue their core strategies. Our foreign funds may also have direct, unhedged exposure to foreign currencies.

Borrowed Money
1. The requirements set forth in subsection 13.13 of NI 31-103 are satisfied as KeatsConnelly has a firm practice and policy discouraging clients to use borrowed money to invest in securities.

2. The client's advisor will assess the suitability of leverage, which would include reviewing the following: client investment knowledge, risk tolerance, net worth, gross income, employment status, and ability to withstand loss.

3. In the unlikely event of a leverage recommendation, after explaining the risks associated with leverage to the client and certifying their belief that the client understands the associated risks the client would acknowledge that the risks. Additionally, the firm will deliver "a description of the risks to a client of using

borrowed money to finance a purchase of a security" pursuant to paragraph 14.2(2)(d) of NI 31-103.

4. Supervisory review and approval is needed for leveraged trades and leverage recommendations for all accounts including RRSPs and RESPs.

Know Your Product/Product Suitability

Know Your Product

KeatsConnelly will follow the steps outlined below in order to identify investment products requiring review, the process to review these products, and how to assess the suitability of a product for each client.

KeatsConnelly maintains an approved list for securities that may be traded in client portfolios. This list is reviewed by the Investment Committee periodically and any securities to be removed or added are done with a majority vote based on a full analysis done by the Investment Department.

Product Suitability
To arrive at a suitable allocation for clients, KeatsConnelly analyzes income and expense data, projected market returns, volatilities, correlations, and clients' financial ability and willingness to take risk. Because KeatsConnelly employs a passive approach to investing in most equity markets, once an allocation has been decided upon, we diversify globally across stock and bond markets and look for low-cost, consistent exposure to markets where we would like to participate.

Allocations for clients frequently include funds for their ability to provide passive exposure up to the recommended weights based on client risk tolerance, return goals, and financial ability. In some cases we may remove or underweight an asset due to the client's personal preference or overall financial situation. (For example, employees of an oil company may not have an energy sector fund we selected for our allocations.)

Investment Communications

Reports

- At least quarterly the investment custodian shall provide regular statements showing asset values and transactions for each account that is subject to this IPS.

- KeatsConnelly shall provide you, at least quarterly and within 30 days from the end of each such period, the following information:
    - Portfolio balance and composition
    - Portfolio performance results over the last quarter and longer past periods as well as inception-to-date
    - Performance results of comparative benchmarks for the same periods as above, and
    - Performance results of each individual holding for the quarter

Meetings and Communication between Investor and Advisor

KeatsConnelly shall regularly keep you apprised of material changes in our outlook, recommended investment policy, and tactics. Any material event that affects the ownership of KeatsConnelly or the management of the portfolio must be reported immediately. In addition, KeatsConnelly shall meet with you approximately annually to review and explain the portfolio's investment results and any related issues. We shall also be available on a reasonable basis for telephone and email communication as needed.

Duties and Responsibilities

The Advisor

KeatsConnelly is expected to manage the portfolio in a manner consistent with this investment policy statement and in accordance with provincial law. KeatsConnelly is a Registered Investment Advisor and shall act as the investment advisor and fiduciary to the investor until either party decides otherwise.

KeatsConnelly shall be responsible for:

1. Designing and implementing an appropriate asset allocation plan consistent with the investment objectives, time horizon, risk profile, guidelines and constraints outlined in this statement.
2. Recommending a custodian to safeguard portfolio assets.
3. Advising on asset category allocation as well as investment selection.
4. Identifying specific investments and investment managers within each asset category.
5. Monitoring the performance and suitability of all selected assets.
6. Recommending changes to this investment policy statement.

7. Being available to meet with you at least once each year.
8. Being available at such other times within reason at your request.
9. Preparing and presenting appropriate reports.
10. Voting proxies on any securities you hold in discretionary accounts.

Discretion and Title

1. KeatsConnelly will not take title to any assets.
2. Investor grants KeatsConnelly discretionary control for purchases and sales of portfolio securities and for voting of proxies related to such securities.
3. KeatsConnelly shall have no authority to withdraw funds from your accounts, except to cover payment of previously agreed-to fees or at your specific direction.
4. KeatsConnelly may not change this investment policy, including the targeted overall asset allocation, without your prior approval.
5. KeatsConnelly retains the ability to take defensive action in extraordinary markets but is not obligated to do so and does not expect to take such action regularly.
6. KeatsConnelly may alter the specific weights within each asset category as our research dictates, unless you have directed us otherwise.

The Investor

As investor, you shall be responsible for:

1. Final oversight of the portfolio.
2. Defining portfolio's investment objectives and policies.
3. Directing changes in investment policy, overseeing and approving or disapproving recommendations for policy made by KeatsConnelly, guidelines, and objectives on a timely basis.
4. Providing KeatsConnelly with all relevant information on your financial conditions and risk tolerances and notifying us promptly if this information changes.
5. Reading and understanding the information contained in the prospectus for each investment in the portfolio.
6. Asking for clarification regarding the investments or anything in the investment policy statement.
7. All assets we do not have discretion over, including proxy voting.

Proxy Voting

When KeatsConnelly receives proxy ballots regarding corporate actions that affect investments you own and that we have selected, KeatsConnelly will vote on your behalf unless you direct us otherwise. For personal securities, KeatsConnelly will send you the proxy ballot or vote with management.

Important Disclosures and Reminders

1. IMPORTANT: The projections or other information illustrated in this investment policy statement or other documents which may have been provided to you regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.
2. Different types of investments involve varying degrees of risk, and past performance may not be indicative of future results.
3. It should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies we recommend) will be profitable.
4. Results may vary over time and from client to client, with use of each investment or with each mix of investments.
5. If provided, historical performance results for investment indices and/or categories are for general comparison purposes only. They do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings will correspond directly to any specific indices.
6. Other investments not considered in the analysis and the recommendations resulting from this investment policy statement may have characteristics similar or superior to those being analyzed.
7. Please remember to contact us if there are any changes in your financial situation or investment objectives or if you wish to impose, add or to modify any reasonable restrictions to our investment management services.
8. We are happy to provide you with a copy of our current written disclosure statement discussing our advisory services and fees upon request.