

Nature of Operations

Nature of the Client's Account(s)

You will have one or more accounts at a discount brokerage firm. These may be various types of accounts including Cash, RRSP, RRIF, TFSA or RESP. As part of the account set-up at the discount broker, you will designate Panoply as having Trading Authority (TA) for the account(s). As such, Panoply will be authorized only to trade in your account(s). You, the client, retain sole ownership of the account(s) and only you can direct movements of assets into, out of, or between the account(s).

Services Offered by Panoply

Panoply offers a portfolio management service focussed on dividend growth. In executing this service, Panoply will consult with the client to determine an appropriate long-run asset mix. A typical asset mix is as follows:

Major Asset Class	% of Portfolio	Types of Securities
Equities	80%	Usually common stocks from Canada and the U.S. and American Depository Receipts (ADRs) from the rest of the world. May also include warrants and equity based Exchange Traded Funds (ETFs)
Fixed Income	15%	Usually Canadian bonds and debentures: federal, provincial and corporate. We may also use preferred shares of Canadian corporations and ETFs based on Canadian fixed income securities
Cash	5%	Usually includes cash held at the brokerage account(s) as well as short term securities such as Money Market Funds, Treasury Bills, Bankers Acceptances and Commercial Paper. Panoply also considers assets related to precious metals as a form of cash. This can take the form of client-held bullion, gold ETFs or common shares or ETFs of precious metal producers

Conflicts of Interest

You should be aware that the principal of Panoply invests on his own account and that such personal investments are very similar to the investments Panoply makes on your behalf. Panoply trades for clients before executing personal trades. In addition, Panoply seeks to maintain fairness in the allocation of trades among its clients over periods of time as described in the Fairness Policy.

Costs of Operation of the Account

In the normal course of operation, the only costs to you and due to Panoply for the operation of the account are the portfolio management fees detailed in the Managed Account Agreement. In rare circumstances, Panoply may levy additional charges for recovery of costs with prior notification.

In addition to the portfolio management fees charged by Panoply, you will be subject to commissions on trades (whether explicit or included in the transaction price) levied by your discount broker. In addition, your discount broker may levy fees for other activities such as account management fees or fees for swapping securities between accounts.

Content and Frequency of Reporting

Panoply will send you a report on your merged portfolio within 60 days of the end of each quarter. The report will be similar to the format detailed in the website under "Client Reports". These reports will include performance figures for the quarter and since inception, as well as a portfolio valuation and a review of the transactions in your portfolio. The reports will also usually include some market commentary and other information including a detailed company report.

You will also receive separate portfolio valuations and transaction reports from your discount broker on at least a quarterly basis.

Know Your Client

As part of the process of becoming a client, Panoply will gather information from you in order to complete the Know Your Client form. This information includes your: Identity; Status as an insider; Investment needs and experience; financial circumstances; and risk tolerance.