



VÊRED WEALTH
MANAGEMENT (CANADA)
COMPANY LIMITED

Relationship Disclosure Document

April 2023



Relationship Disclosure Document

Definitions

This Relationship Disclosure Document (“RDD”) sets out important relationship information for our retail clients concerning their accounts maintained at Vered Wealth Management (Canada) Company Limited (“VWMC”). It includes information about products and services we offer, the nature of your account(s), the manner in which these accounts will be operated, and our responsibilities to our clients.

In this Disclosure:

- You means the account holder and any joint holder of an account held with us, as well as anyone you authorize to give instructions on the account;
- We, us, our, VWMC means Vered Wealth Management (Canada) Company Limited;
- Carrying Broker, custodian, means Raymond James Correspondences Services (RJCS).

This RDD describes how VWMC manages conflicts of interest among you, VWMC and its investment advisors, and those that may arise between our clients. Included is important information about the charges you will be required to pay for the services and how we determine them, assess your investments' suitability, and the reports we will be providing to you.

VWMC will update this RDD when there are material changes and provide you with a copy of the revised version.

Please direct any questions about the contents of this RDD to your investment advisor.

VWMC sends this RDD and all subsequent revised versions, if applicable, in an electronic version to all of you. You, however, can request a paper copy by contacting your investment advisor.

Take time to read this information carefully, along with any supplemental documentation you have received from us. We recommend that you keep all of this literature for future reference and, if you have any questions, do not hesitate to ask your Investment Advisor. We look forward to a long and fruitful relationship serving you.

We thank you for choosing Vered Wealth Management (Canada) Company Limited and wish to make sure you understand how we will work together to manage your comprehensive financial needs.

Table of Contents

1. Products and Services Offered	1
2. Communication	5
3. Conflict of Interest and related parties	7
What is a conflict of interest?	7
Conflict of interest situations	7
Related dealers and advisors	8
Other related companies	8
Our Employees	8
Avoiding/managing potential conflicts of interest.....	9
The products we offer	9
The service we offer	9
Reporting the Conflict of Interests.....	10
4. Expected Fees and Charges	10
By-the-transaction pricing (Commission-Based).....	10
Fee-for-service pricing (Fee-Based)	12
Other fees you may be charged	14
5. Voice Your Concerns.....	16

Related issuers

Vered Wealth Management (Canada) Company Limited is a full-service investment dealer that offers advisory accounts and managed investment services for various securities. Our major shareholder is China Vered Financial Holdings Company Limited, is a public issuer listed on the HKSE (Symbol: 0245.HK). Regulations require that we disclose and obtain your specific approval to purchase securities of related and connected entities when we have discretionary power to do so (e.g. In a managed account).

Other related companies

We entered into a type 2 introducing/carrying broker arrangement with Raymond James Correspondences Services (“RJCS”). Generally speaking, such relationships allow the introducing broker to outsource certain back-office functions to the carrying broker. RJCS is a qualified custodian by IIROC, the regulator. RJCS is independent of our firm and is subject to IIROC oversight, minimum capital, and insurance requirement.

Under the terms of the Vered Wealth Management (Canada) and RJCS arrangement, we are responsible for:

- 1) Maintaining client relationships;
- 2) Suitability and supervision;
- 3) Advising clients of its relationship with Raymond James at the time accounts open; and
- 4) Notifying clients annually, in writing, of its relationship to Raymond James.

Raymond James Ltd. is responsible for:

- 1) Providing back-office services;
- 2) Trade execution (North America Markets only);
- 3) Clearing (North America Markets Only);
- 4) Safekeeping;
- 5) Record keeping;
- 6) IT support.

Our authority is limited to viewing, trading, and transferring funds electronically to your bank account; we are not authorized to debit the account other than with respect to our fees and electronic transfers to your bank account. There is no risk to you since we cannot remove funds or securities from the account. The custodian will purchase or sell securities under our direction and hold them for your account.

The service we offer

We offer both advisory (commission-based or fee-based) and managed investment services to our clients. Investment Advisors must ensure the clients explicitly understand the features and fee schedules of different account types. The investment advisor must help clients select the account type based on the clients' suitability and trading habits. Investment Advisor shall never recommend an account type based on their interest. For example, they hold many low maintenance products (e.g., GIC, cash, or cash equivalents) in a fee-based account for an extended period.

All managed accounts are fee-based. Currently, we only provide one discretionary managed account program which consists of four mandated portfolios and is internally managed by our only portfolio manager. The non-client facing portfolio manager will assign the client to the appropriate mandate according to the client's information and investment goals gathered by the investment advisor. This will be stated in the Investment Policy Statement which is to be agreed and signed by the client. The portfolio manager will tailor the investments within the agreed mandate and will have full discretion over investment decisions. Ongoing suitability review is provided as part of the managed account services.

At least on an annual basis, investment policy, portfolio strategy, account activity, and performance will be reviewed to ensure the client's investment plan's continued relevance and determine whether any changes are required.

Reporting the Conflict of Interests

In order to respond to material conflicts in a manner that prioritizes the interest of the client, both VWMC and its Investment Advisors must be able to identify conflict situations and take measures to respond to them appropriately. Both VWMC and its Investment Advisors shall address material conflicts of interest through proactive decision making by reference to not just this section but the thorough and effective conflict of interest policies and procedures in the entire Compliance Policies and Procedures.

Since the clients' relationship keeps evolving, VWMC requires its employees to become aware of a potential or actual material conflict of interest not defined in the Compliance Policies and Procedures. They shall immediately report the conflict of interest to the Chief Compliance Officer (CCO). The reporting procedures must be followed when the firm and/or its employees identify a potential or actual material conflict of interest:

- Submit a written report to CCO immediately;
- CCO must address the conflict of interest within FIVE business days;
- In case CCO needs more time to address, a reason must be provided in writing;
- CCO must report the conflict of interests to the CEO regularly and to
- The Board of Directors including how the firm responded to the conflict in the AGM.

4. Expected Fees and Charges

We believe that people who know they are being charged for services and how much they are

paying tend to feel they are getting better value for their money. We offer two basic pricing options, commission-based and fee-based.

By-the-transaction pricing (Commission-Based)

The most important thing to understand about this pricing option is that while it is associated with a transaction, the commission or spread charged covers the advice and ongoing service you receive from us and your Investment Advisor, as well as the actual execution of your transaction.

Generally speaking, commissions are charged on listed securities transactions, such as common and preferred shares, options, and exchange-traded funds (ETFs). Spreads (also called Mark-Up or Mark-Down) apply to fixed-income trades (e.g., bonds, stripped coupons, treasury bills.). As explained in greater detail below, commissions may also apply to certain mutual fund transactions.

- **Commissions (common and preferred shares, ETFs, and other listed securities)**

Commissions will be charged when a stock or other listed security is purchased and/or disposed of. Your investment advisor shall inform you of an approximate amount prior to place the trade. The actual amounts will be listed on the trade confirmations you receive and will be charged in the account's currency.

- **Dealer Mark-Ups and Mark-Down (fixed-income securities other than preferred shares)**

When purchasing or selling fixed-income products, such as bonds, debentures, and Treasury Bills, your Investment Advisor will apply commissions to executing the trades. That commission will reduce the effective yield (if buying) or the net proceeds (if selling). This commission is called dealer Mark-Up or Mark-Down or Spread.

When Investment Advisor quotes you a yield-to-maturity on a fixed-income investment, the dealer mark-up and mark-down have already been taken into account. Investment Advisor must make reasonable efforts to ensure the aggregate price, inclusive of any mark-up or mark-down, is fair and reasonable taking into consideration all reasonable factors. A prospective fixed-income purchaser or seller should inquire about the applicable mark-up or mark-down when executing the trade.

- **Mutual Funds**

We include a section devoted to mutual funds since they are a little more complicated than pure stock or bond, from a "what you pay" perspective. There are two components to what you pay when investing in mutual funds: management fees and commissions. Management fees are charged by all mutual funds. Depending on the fund you purchase, you may also pay a transaction fee in the form of a commission.

- **Management fees and operating expenses**

All mutual funds charge management fees and/or operating expenses, which are

deducted directly from the fund's assets and go toward both paying the fund's expenses (portfolio management, record-keeping, custody, reporting, etc.) and generating a profit margin for the fund company. Management fees and operating expenses are generally charged as a percentage of the fund's assets under administration, and this percentage is disclosed in the fund's Fund Facts document, as well as in its prospectus. Management fees and operating expenses vary depending on the category of underlying assets, with fees for equity funds typically higher than fees for bond or money market funds.

- **Trailing commissions**

Fund companies usually pay trailing commission to the distributor out of its management fee. The percentage used to calculate this amount is disclosed in the fund's Fund Facts document, as well as in its prospectus. The logic behind trailing commissions is that they compensate the distributing firm and its Investment Advisors for the costs incurred (maintaining the position on its books, issuing statements, etc.) and providing the ongoing advice and service.

- **Commissions**

Commissions are charged on many mutual funds, but contrary to other investments, they only apply when you buy or sell the fund -- not both.

Commissions charged upon purchase (sometimes referred to as "front load") are calculated as a percentage of your gross purchase and are simply subtracted from the actual amount invested. For instance, a 2% commission charged on a \$5,000 fund purchase will result in \$100 being taken off the top by us and \$4,900 being invested.

Many funds are available for purchase with a "deferred sales charge" option (sometimes referred to as "backload"). With this option, you don't pay upfront. The full amount is invested in the fund. The fund company will apply a charge when you redeem your investment, in accordance with a declining schedule-i.e. the longer you own the fund, the less you pay when you redeem it. In most cases, the deferred sales charge falls to zero over a period, not usually exceeding seven years. This deferred sales charge is applied to the gross amount of redeemed and subtracted from the sale's fruit. For instance, if you redeemed \$5,000 of mutual fund and the deferred sales charge had declined to 1% because you had held the fund for several years, \$50 would be taken off the proceeds, and the net amount you would receive from the sale would be \$4,950.

Finally, many funds are offered for sale without transaction commissions (often referred to as "no-load" funds).

If you wish to include mutual funds in your portfolio, it will make good sense to take some time exploring the various commission options with your Investment Advisor to figure out which one is best for you.

- **New Issues and Secondary Offerings**

We may receive payments from issuers for new issues and secondary offerings you

purchase. The details of the fees will always be disclosed to you prior to purchase.

Fee-for-service pricing (Fee-Based)

Compared to commissions and spreads, the fee-for-service pricing option is relatively simple to understand. A fee is calculated as a percentage of the value of your investments.

Below are the three types of fee structures available:

1. Flat rate: A percentage rate based on your total asset level.
2. Tiered rate: A tiered structure where a percentage rate is determined for each bracket of asset level. For example, \$0-\$250k is 1%, \$251k-\$500k is 0.75%, and so on.
3. Asset Tiered rate: For asset tiered rate, in addition to the above tiered rate structure, percentage rates are determined for each asset category. For example, for Equity, \$0-\$250k is 1%, \$251k-\$500k is 0.75%, and so on. For Fixed Income, \$0-\$250k is 0.9%, \$251k-\$500k is 0.8%, and so on.

Regardless of fee structure the fee covers all the costs of ongoing advice, service, and trade execution. The fee is charged either monthly or quarterly. Your fee-based account should not hold any investments that would incur trailing commissions, sales charges, dealer mark-up/mark-downs. If there are any embedded fees in your investments, we will rebate the fees back to your account. Non F-class mutual funds and other trailer fee paying assets are considered non-billable assets and will be excluded from the market value for allowable trade count and fee calculation purposes. Many clients prefer this pricing option because they don't have to factor the transaction cost into their investment decisions unless they exceed the allowable limit.

- **Advisory fee-based account**

An advisory fee-based account is an account for which you retain full control over your investments; your Investment Advisor makes recommendations, which you are free to implement. The fees to be paid are disclosed in the fee-based account agreement you sign at the time of opening your account, and you will see the amounts that are charged periodically on your portfolio statement. When fees are charged to a non-registered account, they are generally deemed to be tax-deductible, although we recommend that you consult with your accountant or tax expert to determine if this applies to your situation.

Fee Calculation

- (a) There is a minimum account fee of \$1,500 per year chargeable as a minimum monthly fee of \$125 per month or it billed quarterly, a minimum quarterly fee of \$375 per quarter. Accounts opened during a month or a quarter will be assessed the minimum fee on a pro-rate basis.
- (b) The fees are subject to applicable taxes and fees levied by any applicable government or regulatory authority or agency, including, without limitation, goods

and services taxes or harmonized sales taxes and fees levied by the securities regulatory authorities in the applicable province or territory, and will be exclusive of any other fees that may be owing by you to VWMC under any other agreements.

- (c) All trades in excess of the stated allocated number of trades will be subject to a charge of \$100 for each and every trade above the allocated number of trades indicated below. This charge will be assessed at the time the transaction is executed.

FEE-BASED ALLOWABLE/ALLOTTED SCHEDULE

Asset Level	Allotted Number of Trades*
\$100,000 - \$249,999	40 Free Trades/Anniversary Year
\$250,000 - \$499,999	50 Free Trades/Anniversary Year
\$500,000 - \$ 749,999	80 Free Trades/Anniversary Year
\$750,000 - \$999,999	100 Free Trades/Anniversary Year
\$1 Million - \$2 Million	150 Free Trades/Anniversary Year
Greater than \$2 Million	200 Free Trades/Anniversary Year

- **Managed fee-based account**

A managed fee-based account is an account for which our portfolio manager will manage the assets in his or her discretion, subject to the Discretionary Portfolio Managed Account Agreement between you and us, which includes your Investment Policy Statement. Management fees will be charged monthly in arrears based on the daily closing market value of securities

held in the Account averaged over the month. An agreed annual percentage fee rate will apply uniformly across all securities held in your account, including cash and equivalents. Non F-class mutual funds and other trailer fee paying assets are considered non-billable assets and will be excluded from the market value for allowable trade count and fee calculation purposes. The fees to be paid are disclosed in the managed account agreement you sign at the time of opening your account, and you will see the amounts that are charged periodically on your portfolio statement. When fees are charged to a non-registered account, they are generally deemed to be tax-deductible, although we recommend that you consult with your accountant or tax expert to determine if this applies to your situation.

Other fees you may be charged

- **Currency conversion**

Any currency conversion processed in your account is executed at our carrying broker's (Raymond James) rate. We do not mark-up or profit from any currency conversions.

- **Fees related to transactions executed on foreign exchanges**

Buy or sell securities listed on foreign markets. You should know that certain stock exchanges, securities commissions, prime brokers, or foreign governments may, from time to time, impose taxes or apply trading, execution, or settlement fees on financial transactions made in their country. The exchange keeps these fees, securities commission, prime brokers, or government, and are not shared with us.

When such fees are levied, they are above the usual commissions and administration fees that we charge to your accounts and your transactions, regardless of the chosen pricing option. Where applicable, these supplemental charges will appear on your trade confirmations and be charged in the country's currency in which the transaction was executed.

- **Interest charges and borrowing fees**

If you borrow against the value of securities held in one of your accounts, you will be charged interest on the outstanding loan. Similarly, if you short sell securities, you may be charged interest and fees on the cost of borrowing securities to cover your short position.

Special Accounts and Services Fee Schedule

REGISTERED PLAN ANNUAL FEES

Description	Fees
RRSP Annual Fee (per account incl. Spousal)	\$125
RRIF Annual Fee (per account incl. Locked-In)	\$125
RESP Annual Fee (per account)	\$25
TFSA Annual Fee (per account)	\$45
For all registered accounts (RRSP, RESP, RRIF) same SIN is an additional \$25.	

MISCELLANEOUS CLIENT SERVICES FEES

Description	Fees
REGISTERED ACCOUNTS	
Registered Plan Full Deregistration	\$100
RRSP Partial Deregistration	\$50
RRIF Partial Deregistration/Unscheduled RRIF withdrawal	\$50
Swaps (per security)	\$35
RRSP Mortgages Set up Fee	\$200
RRSP Mortgages Annual Administration Fee	\$150

OTHER SERVICES

Full Account Transfer Out	\$150
Partial Account transfer Out	\$135
Certificate Registration (Regular)	\$50
Certificate Registration (Rush)	\$250
GIC Re-registration (N/A to transfer-in)	\$25
Domestic Canadian \$ Wire Transfers	\$30
U.S. \$ Wire Transfers	\$35
Wire Transfers (other than CDN or USD)	\$40
Stop Payment	\$25
NSF Cheques	\$40
Cheque Certification/Bank Draft	\$25
Private, MIC, or small business investment Shares (Annual)	\$50
Estate Accounts (Minimum \$150, excludes Successor Annuitant and JTWR0S)	At cost
Early Settlement	Interest-only
EFT-Returned	\$40
Search for Records (per document)	\$30

All charges are in the account's currency wherein the fee and/or charge is being processed. Taxes are extra.

Impact of Fees and Charges

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

5. Voice Your Concerns

Voice your concern. We think it is important that you feel comfortable contacting us whenever you have a question or comment concerning our products or services.

We welcome feedback about any aspect of your relationship with us because constructive criticism is valuable input that enables us to improve our offering.

Should you have a less-than-fully satisfactory experience, please do let us know. We appreciate the opportunity to revisit our processes, products, or services to see how we can make them better.

Please feel free to contact us with your questions or comments by mail, telephone, fax, regular mail, or in person at our office. We invite you to speak with your Investment Advisor, the Chief Compliance Officer or the Chief Executive Officer.

You can also direct your comments or complaints to our Compliance Department at the following address:

Vered Wealth Management (Canada) Company Limited.
2500 - 1075 West Georgia St,
Vancouver, BC V6E 3C9
Tel: +1(604) 245-8981
Email: compliance@canvered.ca

To allow us to analyze your complaint, please include the following details when you contact Compliance:

- Your name, contact information, and account number as well as the particular circumstances and details of your complaint, notably, the date on which the event took place.
- All relevant documentation, including details of meetings and/or discussions following those meetings that might clarify the situation.

We will acknowledge your complaint with five business days. We will respond in-depth and give you our final decision about your complaint within 90 calendar days, along with:

- A summary of our understanding of your complaint
- The results of our investigation

- An explanation of our final decision
- Other options available to you if you are not satisfied with our response

If we cannot give you a response within 90 days, we will inform you of the delay, the reason for it, and the expected new response time.

Finally, you will also find information about how to make a complaint in the Investment Industry Regulatory Organization of Canada:

- 1) Making a Complaint: A Guide for Investors (Part 1 of 2);
- 2) How Can I Get My Money Back: A Guide for Investors (Part 2 of 2)

You may find the above IIROC Brochures in the New Client Welcome package, or please visit

<https://www.iiroc.ca/investors/investor-brochures-bulletins-other-resources/brochures-and-investment-resources-investors>

Thank you for choosing Vered Wealth Management (Canada) Company Limited.