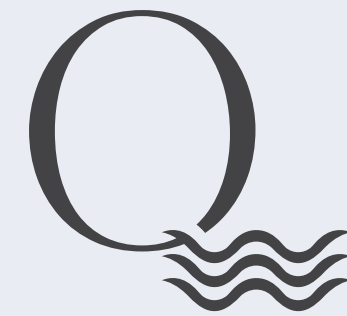




Q WEALTH  
PARTNERS  
**THE FUTURE  
OF PRIVATE  
WEALTH  
MANAGEMENT**

Your Complete Guide to the  
Q Wealth Partners Client Experience

**QWEALTH.COM**



**| Q WEALTH PARTNERS |**  
WHERE MONEY MEETS MEANING



# ABOUT **Q WEALTH PARTNERS**

Enabled by the efficiencies of our core services, investment, and technology platform, our Partner Firm wealth advisors<sup>1</sup> spend their time differently – instead of spending the bulk of their days in the proverbial weeds, they spend it providing high levels of service to clients across the entire wealth and life management spectrum. There is so much more to what we offer than just investments and financial products.

We founded Q Wealth Partners to provide clients with an alternative to working with traditional large institutions, where we feel competition is limited and consumer choice suffers. We take our obligation to put clients first at the center of everything we do – including working to keep fees reasonable so that your savings can grow faster. It's YOUR hard-earned wealth, we believe there is a better way, and so we created it.

We offer our clients an engaging experience, driven by an integrated next-generation technology platform, a bedrock of lifestyle-focused financial planning, and sophisticated investment solutions that are often only available to pension or endowment funds.

**Q Wealth Partners is where your money meets your meaning.**

<sup>1</sup> Q Wealth Partners is a firm registered as a portfolio manager, investment fund manager and exempt market dealer in certain Canadian jurisdictions. Our partner firms provide wealth management services such as financial planning while Q Wealth Partners provides investment management services to clients.

# STRONGER TOGETHER

Our Partners have a great deal in common. One shared experience has been reaching a point in their careers where they sought greater independence to serve clients better and found even more at Q Wealth. They discovered the entrepreneurial spirit of independence, combined with the extraordinary benefits of collaboration within a network of like-minded professionals. Each of our Partner Firms operates under their own boutique brand identity to focus on their niche, delivering a uniquely personal service experience, supported by the power, scale, and scope of Q Wealth's infrastructure and core investment platform.

**Together we are a collection of forward-thinkers with less bureaucracy and an ability to share best practices easily across the organization. With our boutique Partnership and the stability of a bank custodian, we have the tools in place to benefit our clients.**



# COMPARING Q WEALTH

## What is a Portfolio Management Firm?

Most Canadians – including many financial advisors – are unaware of what a Portfolio Management (PM) firm is. This corner of the industry is populated by fiercely independent boutique companies that are generally small and owner-operated, registered and regulated directly by the Canadian Securities Administrators as opposed to IIROC (Investment Industry Regulatory Organization of Canada) or MFDA (Mutual Fund Dealer's Association) who collectively regulate the “retail” broker/dealer space. While there are some IIROC advisors registered as Portfolio Managers, PM firms accept comparatively fewer clients, and may offer access to categories of investment, and/or more sophisticated investment strategies than brokerage firms permit. PMs typically have larger investment minimums (1 or even 3 million dollar minimums are not uncommon), and often cater to institutional investors such as small pension and endowment funds, charities, family offices and ultra-high-net-worth individuals.

Because of the boutique nature of PM firms, very few of them are large in terms of scale and size. In fact, the leading custodian in Canada, National Bank Independent Network (NBIN), reports that only 8% of over 330 PM firms it supports manage in excess of 1.5 Billion dollars of client assets. As one of the few larger PM firms in Canada, Q Wealth Partners' innovative business model has built bridges for both IIROC and MFDA advisors to work with us and become Partners in the firm. This offers our Partners and their clients materially all the benefits of starting their own wealth management business, without the risk, complexity, cost, and distraction of a start-up, combined with the strength, stability and scale of a PM firm with 17 years of history, over 170 head office and partner staff coast to coast, and managing assets in excess of 2.2 billion dollars.

## The Fiduciary Duty at Q Wealth

The terms financial advisor and financial planner have been largely unregulated in Canada. Despite recent proposals to impose standards, it is still challenging for consumers to understand the qualifications of the person sitting across from them. In contrast, registration as a Portfolio Manager (known as an Advising Representative) requires the highest level of professional education and experience in the industry. Portfolio Managers are the only type of adviser in Canada required to uphold a fiduciary standard. A fiduciary must act in the best interest of their clients at all times, presenting the best solutions to meet their client's needs, at the best possible cost, in a transparent manner – we manage conflicts of interest in the best interest of clients, by either avoiding them, disclosing them and seeking client consent where advisable, or a combination of these options.

## How Does Q Wealth Compare to Other Types of Wealth Management Firms?

There are many different types of firms that hold themselves out to provide wealth advice. In order to provide investment advice in Canada, a firm must actually be registered as a portfolio manager or investment dealer, as do individual advisors. Some firms focus in on investments only, others offer investments or insurance and casually provide other services. Some focus mostly on basic financial planning, but have unsophisticated investment offerings, or make referrals to Portfolio Managers, but inflate the costs to clients in so doing. Q Wealth Partners' mission is to provide a truly comprehensive set of services, delivered with a high level of expertise, at a truly competitive cost. All guided by the shared platforms, technologies, and collective experience of the Q Wealth Partnership and its members.

The chart (at right) compares Q Wealth Partners' client experience to other common types of registered firms in Canada:

		Bank Branch Advisor	Planner/MFDA Advisor	IIROC Broker	IIROC PM	Indpndnt PM	
<b>EXPERIENCE</b>	<b>BENEFIT</b>						
	Consistent advisor relationship over time	⊗	✓	✓	✓	✓	✓
	Journey-Based Planning (Q-Life Experience)	⊗	⊗	⊗	⊗	⊗	✓
	Live financial plans with account aggregation	⊗	⊗	⊗	⊗	⊗	✓
	Next-Gen Digital Client Experience (Q-Connect app, etc)	⊗	⊗	⊗	⊗	⊗	✓
Hollistic wealth management	⊗	~	~	~	~	✓	
<b>ALIGNMENT</b>	Fiduciary duty (like a lawyer) - mandated to put Client's interest first	⊗	⊗	⊗	~	✓	✓
	100% Partner Owned (no shareholder profit imperative)	⊗	⊗	⊗	⊗	✓	✓
	Partners have real input in how firm is run	⊗	⊗	~	~	~	✓
	Unbiased advice and compensation structure, open architecture	⊗	~	~	~	~	✓
<b>PORTFOLIO MANAGEMENT</b>	Pro-active, agile, discretionary management according to your personal IPS	⊗	⊗	⊗	✓	✓	✓
	Access to sophisticated cash-flow based investing (like pension/endowment funds)	⊗	⊗	⊗	~	~	✓
	Lower total cost of portfolio ownership	⊗	⊗	~	~	~	✓
<b>PROTECTION</b>	Hedging strategies to control market volatility	⊗	⊗	~	~	~	✓
	Safety and security of a "Big 6" bank custodian with CIPF accout protection	✓	⊗	~	~	~	✓

LEGEND ⊗ Not Available ~ Sometimes Offered ✓ Standard



# CONNECTING MONEY TO LIFE

## CLIENT EXPERIENCE @ Q WEALTH

There is an old adage “money can’t buy happiness”. In the past 20 years, a new branch of psychology has led researchers to delve into the science of wellbeing, and human flourishing. While it’s true, that money – and especially money above a relatively modest amount – will not flip the switch and make one happy, money is the common thread that connects all areas of our lives. It gives us choice, control over our time, and helps remove hardships. What we do with those choices – how we use our money, and more importantly our time, then determines our life satisfaction. Q Wealth Partners can help you clarify your vision of a comfortable and fulfilling life and will work with you to co-create a dynamic financial life strategy to achieve it.

**We start with clarifying what gives your life meaning & purpose. This helps to clarify your values & goals. These in turn shape your financial plan. Only then do we truly understand how to use investments to fund a life you’ll love.**

Q Wealth Partners help you manage all aspects of your financial life from savings, investments, insurance, retirement savings, education, taxes, and estate planning. But most importantly we help you figure out what your money is really for, and what will help you live your best life.

## YOUR ADVISOR



PRIVATE FINANCIAL GROUP



NATIONAL BANK

INDEPENDENT NETWORK



QUINTESSENCE WEALTH

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02

01

# PUTTING IT ALL TOGETHER

## HOW YOUR ADVISOR AND Q WEALTH DELIVER YOUR SERVICE EXPERIENCE

When you walk into a bank branch, it's pretty simple. The advisor sitting across the desk works for the bank, and if you invest with them, everything comes on the bank letterhead. At Q Wealth, there's a bit more to it, and that's a good thing. We bring together the best of all worlds to provide an elevated experience. Here's how it all fits together:

### Your Advisor

Ultimately, your most important relationship is with your trusted advisor who is responsible for putting together your financial plan, and helping you navigate all aspects of managing wealth and life transitions. There's much more to it than just investments, and so the ultimate barometer of how you're doing will always be your financial plan – think of this as the highest form of reporting we provide – it's the answer to the all-important question: "Am I ok?", and it's always being updated because your life never stands still.

### Private Financial Group

Private Financial Group, along with the other Partner Firms, collectively own Q Wealth Partners (a registered firm who provides investment management). As such, Private Financial Group operates under our own brand identity when providing wealth management services, to deliver a unique service experience, and comprehensive wealth management, while investment management is overseen by Q Wealth. Your advisory team typically includes a multi-disciplinary group including Certified Financial Planning professionals, investment professionals or both. Think of Private Financial Group as your personal "family office".

### Quintessence (Q) Wealth

In all cases, individuals who provide investment advice are registered as advising representatives under Q Wealth, the Portfolio Management firm, so you may see them affiliated with both the Q Wealth Partnership and their Partner Firm. As a registered Portfolio Manager and Investment Fund Manager, Q Wealth replaces the operational functions advisors must typically affiliate with an investment dealer to provide, but we also "vertically integrate" the investment management function – which usually reduces external costs that are often hidden from investors. Clients receive a detailed chart explaining who provides each function when they onboard to help keep it clear.

### Custodian

Q Wealth maintains service agreements with custodians such as National Bank's Independent Network (NBIN). The custodian is where your accounts sit, protected by their large scale, and the Canadian Investor Protection Fund. Read on for more details about our relationship with custodians, and how they benefit our clients.

# OUR CUSTODIAL PARTNER



## National Bank Independent Network is the custodian for all Q Wealth accounts.

For more than 30 years, NBIN has been a leading provider of custody and brokerage solutions to independent Portfolio Managers and Investment Dealers. NBIN supports more than 450 firms across Canada for more than \$300 billion in assets under administration.

### What is a custodian?

A custodian is a specialized financial institution (typically, a regulated entity with granted authority like a bank) that holds customers' securities for safekeeping to minimize the risk of their misappropriation, misuse, theft, and/or loss.

#### What is the role of a custodian?

- Safekeeping of Assets: Opening and maintaining accounts; Maintaining current, accurate records of client holdings
- Trade Processing: Tracking, settling, and reconciling securities
- Asset Servicing: Preparing account statements and tax documents; Calculating and reporting tax information to federal and provincial governments

#### A solid reputation, financial stability, relevant controls to keep your assets safe:

- National Bank Independent Network (NBIN) is a division of National Bank Financial Inc. (NBF Inc.), as well as a trademark owned by National Bank of Canada (NBC)
- National Bank of Canada is a federally regulated Schedule I bank and a public company listed on the Toronto Stock Exchange (TSX: NA)
- NBIN is a member of and regulated by the New Self-Regulatory Organization of Canada (a consolidation of IIROC and the MFDA), the national self-regulatory organization that oversees all investment dealers and trading activity on debt and equity marketplaces in Canada
- NBIN is a member of the Canadian Investor Protection Fund (CIPF) that provides coverage (within specified limits)



### Additional Safeguards to protect your investments:

- While your Portfolio Manager generally has discretionary authority granted by you to provide investment management for your account(s), your written consent is required to transfer securities or cash into or out of your account(s), as well as opening, closing or modifying your account held at the Custodian.
- NBIN is required to keep your assets separate from its assets and is subject to regulatory oversight, minimum capital and insurance requirements.
- NBIN will send a statement directly to you, for any month in which there is activity in your account. If your account has no monthly activity, at a minimum a quarterly statement will be sent to you, through online access. A paper-delivered statement is available for a small fee. NBIN provides secure, online access to your accounts 24/7, 365 days a year.





# SOPHISTICATED INVESTMENT SOLUTIONS

Most Canadians are aware of the Canada Pension Plan, and you may have heard organizations like those representing teachers, police and firefighters, Ivy league Universities, and charitable foundations have their own sophisticated investment management teams. We call these organizations “institutional investors”. They typically pay much lower fees for their investments, and have access to types of investments that individuals investing through banks and independent broker/dealers usually don’t. Yet, today only about 37% of Canadians still have access to these type of investments through their employer pension plans – leaving the rest of us challenged to keep up.

Inflation is back – which reduces the purchasing power of your money consistently if you don’t invest wisely, and interest rates drop to very low levels every time the economy hits turbulence – meaning it’s difficult to diversify your investments and control the amount of volatility in your portfolio – which is the extent to which the value of your investments fluctuate. Since institutional investors are organizations, they don’t retire or experience anxiety when their investments drop in value, but they do seek consistent performance from their investments – in up or down markets - so they can fund their ongoing cash flow needs.

## Q Wealth employs similar investment techniques and solutions used by some of the world’s most sophisticated pensions funds and institutions to help shape outcomes for our clients.

As both a Portfolio Manager and Investment Fund Manager, we run our own investment platform – designed to take a “buy vs build” seeking the best possible mix of investment solutions, combined with great value. In many cases we are able to use our capabilities and professional grade investment tools to replicate the same strategies used by third-party investment funds at lower costs, saving our clients money. To ensure diversification, our due-diligence process identifies a hand-picked selection of outside managers (including popular Canadian fund providers) where we believe clients receive strong value from their expertise, and often obtain substantial discounts versus what retail advisors and their clients would pay.

We provide the flexibility to allow our registered advisors to use their professional discretion, with the collaborative advantage of being part of our investment committee – a multi-faceted team with greater capacity than individual advisors trying to pick and implement investment strategies alone. Using this approach, we’re able to enhance strategies by applying advanced techniques such as currency hedging, options overlays, and trading processes designed to minimize hidden execution costs. We also leverage our collective client buying power and status as a PM firm to access types of private investments not available to retail investors.



Quintessence Wealth, a registered Portfolio Manager in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec, and Saskatchewan, an Investment Fund Manager in Newfoundland and Labrador, Ontario, and Quebec, and an Exempt Market Dealer in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec, and Saskatchewan. The Ontario Securities Commission (OSC) is the principal regulator for Quintessence Wealth.

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A photograph of a man and a young child walking away from the camera on a dirt path. The man is wearing a plaid shirt and dark pants, and the child is wearing denim overalls and a hat. The child is holding a toy airplane. The scene is set in a field of tall grass under a warm, golden light, suggesting a sunset or sunrise.

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