



# Interactive Brokers Canada Inc. Relationship Disclosure

Welcome to Interactive Brokers Canada Inc. (“Interactive Brokers”) We are committed to providing you with cutting edge trading technology and tools along with superior service, support and a comfortable experience to meet your investment needs. As a pioneer in online investing, our four-decade focus on technology and automation helps us provide you with a uniquely sophisticated platform at the lowest cost.

Please review the information provided in this Relationship Disclosure document. It contains important details about the products and services we offer, the features of your account and how it operates, and our responsibilities to you.

Should there be material changes impacting this Relationship Disclosure information, we will let you know. Should you have any questions about our products and services, or if we can be of assistance in any way, please contact us at **1-877-745-4222**. We're here to help, 24 hours a day, seven days a week.

## Products and Services Offered by Interactive Brokers

### Services

Interactive Brokers provides order execution only service accounts as described below.

### Products

We offer access to the following investment products:

- Cash equivalents (e.g. T-Bills and money market instruments);
- Fixed income or debt securities (e.g. bonds);

- Domestic and foreign equities including warrants and fractions of U.S. equities (fractional shares);
- Exchange traded funds (ETFs);
- Domestic and foreign derivatives (e.g. options and futures);
- Currencies (leveraged) and non-leveraged (to facilitate securities and derivatives transactions).

We also offer certain eligible clients a prepaid Mastercard issued by Peoples Trust Company and the ability to lend out fully-paid securities and receive a fee to do so when you enroll in our Stock Yield Enhancement Program (SYEP).

You may incur investment management expense fees or other ongoing fees in connection with certain exchange-traded investment funds you purchase through us causing such fees to potentially compound over time and adversely impact your investment returns.

We may receive or be expected to receive benefits directly from such exchange-traded funds in connection with your purchase or ownership of such fund units through us.

### **Product Limits**

We do not offer access to proprietary trading products and we do not offer Locked-in plans, Registered Retirement Income Funds (RRIF), Registered Education Savings Plan (RESP), Tax-Free First Home Savings Account (FHSA), annuity products and mutual funds. We do not accommodate any withdrawals under the Home First Buyer's Plan and the Lifelong Learning Plan nor any investments in a home mortgage.

We are not a Money Service Business (MSB). Currency conversions are offered as an ancillary service to facilitate transactions in securities or commodities. We don't allow accounts to be used for currency conversions only.

We serve Canadian residents only. If you move outside of Canada and become a non-resident, it could affect our ability to serve you. Transactions, contributions and withdrawals of funds will be limited across your accounts.

### **Selling Restrictions**

Your account may become subject to restrictions rendering you temporarily or permanently unable to liquidate or resell an investment product you own. Restrictions can come from Interactive Brokers inability to execute your orders due to technical problems or system outages, or from outside sources such as regulatory halt or

suspension (also known as CTO (Cease Trade Order)), sanctions, technical problems or system outages at an exchange, ECN or ATS, or lack of liquidity on the securities or derivatives you hold. This restrictions list is not exhaustive.

## **Account Types and How They Operate**

### **Order Execution Only Account Services**

With our Regular and Registered Plan (RRSP and TFSA) accounts ("Order Execution Only Account Services"), you can enter orders using our Trader Workstation (TWS), our IBKR Mobile application or our online Client Portal. We also provide you comprehensive support, tools and resources to help you make informed investment decisions and be confident in your investment choices.

We do not provide financial, legal, tax or investment advice or recommendations. If you are looking for investment advice, you should not open an account with Interactive Brokers. You acknowledge that we will not be responsible for making a suitability determination for your trading decisions nor will we provide you with any recommendations and, in particular, we will not consider your personal and financial circumstances, investment needs and objectives, investment knowledge, risk profile, investment time horizon, nor other similar factors and we will not be responsible for making a determination that the products and account types we offer are appropriate for you.

You further acknowledge that you are solely responsible for your all investment decisions in your account.

### **Borrowing to Invest**

Using borrowed money to finance the purchase of securities involves greater risk than a purchase using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same, even if the value of the securities purchased declines.

An investment strategy that uses borrowed money could result in far greater losses than an investment strategy that does not use borrowed money; you can lose more than your initial deposit.

### **Keep your account information up to date**

We encourage you to keep all your account information accurate and up to date. You should promptly inform us of any change to information, such as a change to your address, phone number and email address, employment, income, net worth, registered account beneficiary or successor holder, trusted contact person, etc.

## Fees and How They Are Calculated

The fees you pay are explained in the Pricing Overview document provided to you at the time of account opening.

Fees include (but are not limited to):

- Commissions on the trades we execute for you;
- Interests on borrowed funds if you trade on margin;
- Market data for receiving real-time quotes;
- Other fees such as withdrawal fees.

More detailed and up-to-date information on our commissions and fees can be found in the **Pricing** section of our website at [www.interactivebrokers.ca](http://www.interactivebrokers.ca)

Fees charged to your account can negatively impact your performance which will lower your investment compounded return over time.

## Our Reporting To You

### Trade Confirmations

When you buy or sell securities, a trade confirmation will be made available to you electronically in your Client Portal within one business day of the trade date. It will contain the details of the transaction including but not limited to:

- Security name, marketplace and dates;
- The type of transaction (e.g., purchase or sale);
- The number of securities purchased;
- The price per security;

- The total value of the transaction, amount paid by you for a purchase or paid to you on a sale;
- Amount of any commission, spread, charge or fee applied.

## **Account Statements**

Daily, monthly and annual account statements are also available electronically in your Client Portal. Your account statement details all account activity, including purchases and sales of securities, positions (including foreign cash positions), contributions, deposits, withdrawals and transfers, dividends, interest earned and paid, and any other fees paid by you since the previous reporting period.

Security position original cost is provided daily. Cumulative realized and unrealized capital gains is provided daily, monthly or annually. All account statements also contain the trade confirmations information.

## **Account Performance**

You will have access to Interactive Brokers' Portfolio Analyst (PA), our proprietary online performance evaluation tool. PA lets you analyze the performance of your account online as often as you wish. Account percentage return is based on either time or dollar weighted calculation method daily, monthly, quarterly or annually.

We also provide you with an Annual Performance Report in your Client Portal that shows, in dollars, what Interactive Brokers was paid for the products and services we provided you, including:

- Operating charges;
- Transaction charges.

The Annual Performance Report also provides you with the following information:

- The market value of cash and securities at the beginning and end of the period;
- The market value of deposits into, and withdrawals from your account, in the period and since the opening your account;
- The change in market value of your account over the period and since opening of your account;
- The annualized total percentage returns using a money weighted rate of return for 1, 3, 5 and 10 years and since inception of your account.

## Investment Benchmarks

Investment benchmarks generally provide a broad measure of the return generated by specific asset classes over a given period. An Investment Benchmark can be used as a standard against which the performance of a security or investment portfolio can be measured. The most common form of investment benchmark is an index such as a stock or bond index. Some common broad based market benchmarks include the S&P/TSX Composite Index, FTSE TMX Canada Universe Bond, and the S&P 500 Index.

You will have access to Interactive Brokers' Portfolio Analyst (PA), our proprietary online performance evaluation tool that lets you analyze the performance of your account against a variety of widely used benchmarks.

Measuring the return of your portfolio against appropriate benchmarks can be an effective way of assessing the relative performance of your investments. However, when selecting a benchmark you should carefully consider a benchmark that reflects your investments.

## Conflicts of Interest

We have adopted policies and procedures to assist us to identify and control any conflict of interest that we may face. For full details on our conflict of interest policies, please see the ***Conflict of Interest Statement*** section of the Interactive Brokers Canada Inc. Client Agreements provided to you at the time of account opening. Since the ***Conflict of Interest Statement*** may be updated periodically, you can be provided with an updated copy upon request.

Any existing material conflict of interest, and material conflict of interest that is reasonably foreseeable and which is not avoided, will be addressed in your best interest and will be disclosed to you, where required, in a timely manner, upon identification of the conflict.

## Complaint Handling Process

We look forward to serving you. Our focus is on establishing open communication to build and maintain a strong relationship. Yet we know that misunderstandings and mistakes may occur. If you have a complaint, please let us know. Our ***Client Problem***

**Resolution Process** is included for your reference in the Interactive Brokers Canada Inc. Client Agreements provided to you at the time of account opening.

We also provided you with the IIROC complaint handling brochure – Making a Complaint A Guide for Investors - at the time of account opening.

## **Trusted Contact Person**

A Trusted Contact Person (TCP) is someone who is 18 years of age or older that you authorize us to contact regarding your account, particularly if we suspect that your account may be subject to financial exploitation or we have concerns about your health status. Customers of advancing years who could experience declining cognitive ability or health issues may wish to designate a TCP. Designating a TCP on your account is also useful for other reasons. For example, if Interactive Brokers has been unable to contact you after multiple attempts, we could contact your designated TCP to obtain your current contact information.

Adding a TCP does not give that person access to your account. It is simply someone we can call if you are unavailable or we have reason to believe that you are incapacitated.

A TCP will not be able to view your account information, execute transactions in your account, or inquire about account activity.

However, by designating a TCP, you authorize Interactive Brokers (and your advisor if you have one) to contact the TCP in Interactive Brokers discretion and to disclose to the TCP any information in Interactive Brokers possession about you and your account, including financial information, your identity and contact information, the identity of any legal guardian, executor, trustee or holder of power of attorney, and facts regarding the circumstances that have caused Interactive Brokers to contact the TCP for assistance.

Designating a TCP on your account is solely your decision and is optional. Only account holders can add, update, or remove a TCP on their account.

### **Temporary Hold**

Interactive Brokers may place a temporary hold on your account if we reasonably believe that you are a vulnerable client and that financial exploitation has occurred, is occurring, has been attempted or will be attempted; or if we reasonably believe that you do not have the mental capacity to make decisions involving financial matters.

If a temporary hold is placed on your account, you will be provided with a notice of the temporary hold and the reasons for the temporary hold, and every subsequent 30-day period, if we continue the hold and the reasons for that decision.

## Checklist of Documents

We have provided you with copies of the following documents for your account:

1. Interactive Brokers Canada Inc. Client Agreements, including our **Pricing Overview**, the **Conflict of Interest Statement** and the **Client Problem Resolution Process**.
2. This Relationship Disclosure Document
3. Canadian Investor Protection Fund (CIPF) Brochure
4. Making a Complaint- A Guide for Investors Brochure (Part 1 of 2)
5. How Can I Get My Money Back? - A Guide for Investors Brochure (Part 2 of 2)
6. How IIROC Protects Investors Brochure
7. Opening Your Retail Account Brochure

Thank you for choosing Interactive Brokers. Our Client Service Representatives are pleased to assist you any time, 24 hours a day, seven days a week by calling **1-877-745-4222**. We look forward to helping you achieve your financial goals.

Interactive Brokers Canada Inc. - a Member of the Investment Industry Regulatory Organization of Canada and of the Canadian Investor Protection Fund.