



# The Safe-Keeping of Your Assets and Data

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# PWL

**PWL Capital** is structured such that all your assets are held in accounts **in your name** by our carrying broker, *National Bank Independent Network*. When you deposit money to your accounts, the cheque is made out to NBIN, never PWL. Any movement of funds or securities in or out of your accounts can only be executed **with your written authorization**. The monthly account statement that you receive for each one of your accounts is mailed directly from the offices of *National Bank Independent Network*, without our intervention, ensuring an unbiased and audited valuation of your holdings.

PWL Capital and our Investment Advisors are registered and regulated by the **Investment Industry Regulatory Organization of Canada (IIROC)**. By virtue of our registration with IIROC, we are also subject to the oversight of the provincial regulatory bodies (e.g.: ***Autorité des marchés financiers (AMF)*** in Quebec or the **Ontario Securities Commission (OSC)** in Ontario).

As a member of **IIROC**, we must comply with a series of rules and procedures governing securities transactions and portfolio management. Our firm must also undergo two inspections or audits conducted by this self-regulatory organization.

Our Chief Compliance Officer (CCO) is responsible to ensure that each transaction is verified. In addition, she conducts a full audit of the accounts under our management on a quarterly basis.

PWL's chartered accountant, **Richter**, conducts an annual financial audit and reviews our financial results and controls. The results of their work are reported to the shareholders of PWL and industry regulators.

## FREQUENTLY ASKED QUESTIONS

### How are funds accessed in my account?

All the funds to be invested in your account are deposited directly to your account held at *National Bank Independent Network* (NBIN) by cheque issued in the name of *National Bank Independent Network*. Electronic transfers of funds between financial institutions are deposited directly to your account held by NBIN. When a cheque is received at PWL Capital Inc. (PWL) it is immediately sent for deposit by NBIN in your account on the same day.

All requests for withdrawal of funds made to PWL are executed by NBIN. The funds can be disbursed to the client either:

- By electronic transfer. To do this, a client must first submit a specimen cheque and sign an electronic transfer agreement for the deposit of funds to his/her account.
- By cheque issued by NBIN in the name of the client, or in the name of a third party (provided that NBIN has received written authorization from the client). The cheque can be mailed to the client or he/she can pick it up at PWL's offices after submitting proper identification. The PWL advisor never handles cheques.
- By bank wire. To do this, a client must submit written instructions with the appropriate wire details. The instructions and signed authorizations will be submitted to NBIN for processing.

### What are the monitoring and auditing mechanisms in place at PWL?

There are four levels of monitoring and control:

1. **Internal controls:** Under the supervision of the Chief Compliance Officer, the PWL team responsible for brokerage operations verifies each trade completed for each client's account in accordance with regulatory requirements. Moreover, PWL's CCO audits each managed account on a quarterly basis to ensure that the investments comply with the client's signed Investment Policy Statement.
2. **NBIN:** The carrying broker, NBIN, monitors the execution of trade orders and administrative requests (withdrawal of funds or securities, transfers between accounts) to ensure that they comply with IIROC (Investment Industry Regulatory Organization of Canada), with securities commissions' (Autorité des marchés financiers in Québec) regulations and with anti-money laundering rules as dictated by FINTRAC (Financial Transactions and Reports Analysis Centre of Canada).
3. **IIROC:** The Investment Industry Regulatory Organization of Canada (IIROC) is the industry self-regulatory organization, and one of its mandates is to conduct regular audits of its members.
4. **FINTRAC:** The Financial Transactions & Reports Analysis Centre of Canada is Canada's financial intelligence unit. Its mandate is to facilitate the detection, prevention and deterrence of money laundering. They regularly audit financial institutions to ensure adherence with anti-money laundering obligations.

As a member of IIROC, PWL is required to undergo two regulatory audits: The first covers sales compliance, i.e. compliance with investment objectives, risk parameters established with the clients, suitability of investments and compliance with regulated internal procedures. The second audit covers financial compliance: day-to-day administrative processes, validation of financial statements, regulatory capital requirements and the usual financial processes.

After each audit, IIROC issues an audit report to the member firm listing the modifications or improvements required. After IIROC has submitted its report, the member firm must indicate how it plans to correct the deficiencies that have been identified. IIROC then follows up on the implementation of corrective measures.

These multiple levels of monitoring and auditing are proof that PWL has taken all the necessary measures to ensure that the highest level of control is applied to its operations.

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## How can I make sure that the information on my PWL statement is accurate?

All the transactions done in your account (buying or selling of securities, withdrawals or deposits of cash or securities, transfers between accounts, etc.) must be reflected on your monthly statement sent to you from NBIN.

As stipulated by regulations, each time a trade is processed, NBIN prepares a confirmation slip showing the details of the trade. This confirmation slip is sent from NBIN directly to you. This allows you to verify that your statement of account accurately reflects the information shown on the confirmation slips.

The monthly statement of account sent to you by NBIN, without PWL's intervention, is your official statement. It details all the transactions executed by PWL in your account. Your month end cash balance and all the positions held in your account are recorded on the statement. Any discrepancy must immediately be reported to PWL and will be corrected if necessary.

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## What cybersecurity and data protection measures has PWL implemented?

Confidentiality and the security of personal data is of the utmost importance for PWL Capital. In accordance, we have and continue to put in place measures based on industry best practices. These measures complement our rigorous Protection of Personal Information Policy.

We continually invest in training all of our employees about our IT security rules. We also require all employees to sign-off on an attestation of their respect and understanding of the PWL IT User Policy.

PWL adheres to the highest security standards, above and beyond what most firms our size generally subscribes to. Our IT infrastructure includes complete redundancy, high availability, next-generation firewall, segregation of our internal network and constant safety backups.

We prioritize investing in equipment, software and applications as well as training of our employees to ensure we maintain the highest level of security.

## Any questions? Contact us

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At PWL, we want you to understand our commitment to privacy.

For any request or complaint related to the Policy or Personal Information about you, please contact in writing the Privacy Officer at:

#### Privacy Officer

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When you contact the Privacy Officer, please note the name of the website or other online resource to which you provided the information, as well as the nature of the information that you provided.



Portfolio management and brokerage services are offered by **PWL Capital Inc.**, regulated by Investment Industry Regulatory Organization of Canada (IIROC) and is a member of the Canadian Investor Protection Fund (CIPF).

Financial planning and insurance products are offered by **PWL Advisors Inc.**, regulated in Ontario by Financial Services Commission of Ontario (FSCO) and in Quebec by the *Autorité des marchés financiers* (AMF). **PWL Advisors Inc.** is not a member of CIPF.