



## INVESTMENT POLICY STATEMENT FOR MOKA PROGRAM ACCOUNTS

**Prepared for:**

**Date:**

**Account #:**

**Portfolio Manager:**

**Investment Model:**

Tactex Asset Management has accepted the opening of your Account.

### 1. PURPOSE OF INVESTMENT POLICY STATEMENT.

The purpose of this investment policy statement ("Investment Policy Statement") is to set out the investment management objectives of the account holder (referred to as "you or the "Client") which Tactex Asset Management Inc. ("Tactex") will implement for your Account. This document is subject to the terms of the Investment Management Agreement entered into between Client and Tactex.

The Investment Policy Statement defines the investment programme and investment strategies which will apply to your Investment Portfolio in order to achieve your investment goal. The investment advice and management model applying to your portfolio as set forth in this Investment Policy Statement are based on the information relating to your personal situation, including the investment goal, time horizon and tolerance to risk you have provided via the Moka app or any update provided by you thereafter. This Investment Policy Statement will provide you with detailed information relating to the asset classes in which your Investment Portfolio will be invested in order to achieve your investment goal. Your portfolio assets will be managed in accordance with your investment objectives and your tolerance to risk in light of your personal and financial situation, and the investment goal you have set for yourself.

It is essential that you contact Tactex immediately should your goal, personal and financial circumstances change in the future in order for Tactex to determine if changes to your portfolio strategies are required.

Tactex may exercise full investment discretion with regard to your Investment Portfolio within the asset mix guidelines outlined in **Appendix A** to this Investment Policy Statement.

### 2. INVESTMENT CONSIDERATIONS.

#### 2.1. Goal

You have provided Tactex with information on your investment goal via the Moka application during the account opening process. This goal, along with other factors, serves to identify your time horizon for investment. The investment model implemented for you takes this time horizon into consideration, as well as the other information you have provided us about your personal financial situation.

#### 2.2. Return and Risk Expectations

There is always some degree of uncertainty and investment risk in any investment portfolio, particularly as relates to the rate of return or growth that may be generated over any future period.

Investment risk may be defined as the frequency and magnitude of negative returns or decreases in a portfolio's value over short-term periods (such as during a period of one year).

In general, there is a trade-off between short-term investment risk and long-term growth; that is, the greater your ability to assume short-term investment risk, the more likely that your assets will generate superior long-term growth. The asset mix guidelines below are designed to ensure that declines in the value of your portfolio remain within your tolerable risk limits.

Additional information relating to the risks which an investment portfolio is subject is included in Tactex' Statement of Risk Disclosure.



### **2.3. Taxes**

Taxable Portfolio: Investment income earned is subject to taxation at your marginal tax rate. In general, income is taxed as follows:

- Interest income is subject to full taxation;
- Dividend income from Canadian sources is eligible to receive a dividend tax credit;
- Dividend income from non-Canadian sources is subject to full taxation; and
- 50% of realized capital gains are subject to taxation.

Information regarding tax rates is provided for illustrative purposes only. Clients should consult a tax professional for advice concerning their personal situation and the tax consequences tied to investment income.

### **3. ASSET ALLOCATION GUIDELINES & TRANSITION CONSIDERATIONS.**

The asset mix of your portfolio will be maintained in accordance with the asset allocation guidelines contained in **Appendix A** to this Investment Policy Statement. The asset allocation guidelines reflect, and are a function of the responses and information you provided us when you opened your account, as well as your declared investment goal.

### **4. ELIGIBLE INVESTMENTS.**

The Portfolio Manager implements the desired asset allocation model for clients having opened an account via the Moka app by subscribing to a mix of different investment funds managed by Tactex. The resulting portfolio of fund units will reflect the model recommended by your portfolio manager. As disclosed your Investment Management Agreement (see Schedule B), the Moka funds are related issuers of Tactex Asset Management Inc.

Based on the information you have provided, Tactex may invest your portfolio in one or more of the following asset classes:

- Cash, money market instruments, and cash equivalent securities
- Fixed income securities: Canadian, US, and International
- Equities: Canadian, US and International stocks, including ETFs, ADRs, pooled funds and mutual funds
- Other asset classes and investments consistent with the asset mix guidelines and investment objectives may be invested in from time to time, as appropriate.

Please consult Appendix A to review the specific model recommended for your accounts.

The Compliance Department of Tactex Asset Management classifies securities at the firm-wide level, and may decide to reclassify securities as needed from time to time. In particular, certain investment structures, such as mutual funds and ETFs, are routinely reclassified into more meaningful asset classes, such as equity or fixed income, if the Compliance Department makes the determination that the underlying holdings justify a change in asset class.

### **5. REPORTING AND REVIEWS.**

The Investment Policy Statement and Client's portfolios will be reviewed on a regular basis. You should expect the following reporting in connection with your portfolio:

- Tactex will send you monthly statements showing your positions and transactions via the Moka app;
- Tactex will send you annual statements showing your performance and fees (if applicable) via the Moka app;

## APPENDIX A - ASSET ALLOCATION

### OVERVIEW

The objective of the Conservative-Moderate Model is to provide a low to medium risk portfolio with a focus on moderate income generation. This strategy will mainly use investment funds holding Exchange Traded Funds (ETFs), investment funds, and money market instruments to assist in achieving portfolio objectives.

Based on your stated time horizon and tolerance for risk, your target asset mix for your investment portfolio with Tactex is:

### ASSET CLASS ALLOCATION

<u>ASSET CLASS</u>	<u>TARGET</u>	<u>RANGE</u>
Cash & Money Market	40%	30-50%
Fixed income	60%	50-70%
Equity	0%	n/a

