



Educators Financial Group Inc.
2225 Sheppard Avenue East, Suite 1105
Toronto, Ontario M2J 5C2
Tel: 416.752.6843 or 1.800.263.9541

www.educatorsfinancialgroup.ca

Conflict of Interest Disclosure

Under securities regulations, Educators Financial Group is required to identify material conflicts of interest that could arise between Educators Financial Group, including each individual acting on its behalf, and its clients. Furthermore, if an investor would expect to be informed of the nature and extent of an identified conflict of interest, Educators Financial Group must do so. The purpose of this disclosure is to provide you with a description of such conflicts and the measures Educators Financial Group has taken to prevent, avoid, and mitigate such conflicts.

All conflicts will be addressed in a fair and transparent manner, consistent with the best interest of our clients. We will try to avoid conflicts where possible, and in all other cases we will manage it through internal controls and policies. If a conflict can't be managed in your best interest, it will be avoided.

The following are potential conflict of interests and how they are managed in your best interest:

Advisor Compensation

Educators Financial Group Advisors are compensated through a combination of salary and incentive compensation. They do not receive any commission for selling specific products. The incentive compensation is based on achievement of metrics related to asset gathering, client acquisition, and other corporate metrics which may change from time to time. An Advisor may refer you to our Lending Services team if you are looking for a mortgage. A commission may be paid in the event you move forward with a mortgage through Educators Financial Group.

If activities are identified contrary to our conflicts of interest policy and/or advisory compensation policy, the advisor's performance metric used to calculate the overall incentive compensation will be impacted. Repeat occurrences could result in a warning and/or termination.

Educators Mutual Funds

Educators Financial Group offers proprietary mutual funds, available only from us and available exclusively to members of the education community and their family members. To ensure that the products we make available are in your best interest, controls are in place that include:

- Educators Advisors do not receive any benefit from recommending our proprietary mutual funds over the 3rd party mutual funds that are available through the organization.
- Educators Investment Committee monitors our family of mutual funds on a regular basis to ensure that they remain competitive versus similar products made available by other 3rd party mutual fund companies.
- Educators Mutual Funds charge a management fee which is disclosed in our Fund Facts document and provided to you in advance of a purchase. On an annual basis, we will report the total management fees on your Annual Charges and Compensation Report.



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- Educators Financial Group makes the 3rd party mutual funds on our product shelf as easily accessible to our clients as our family of mutual funds.

3rd Party Mutual Funds

Educators Financial Group may receive compensation from 3rd party mutual fund companies based on their products we sell you, in the form of a “trailing commission”. In these instances, we will disclose the compensation in advance of the purchase and provide the Fund Facts document that outlines the compensation associated with that product. On an annual basis, we will report to you the total amount of trailing commissions received on your Annual Charges and Compensation Report.

Fee-Based Accounts

Educators Financial Group offers the option of opening a fee-based account. A fee-based account involves paying a percentage of your account balance as an account fee on an ongoing basis. Products paying a “trailing commission” are excluded from these accounts. The same fee structure applies to all clients who open a fee-based account with Educators. Fee-based accounts are monitored on an ongoing basis to ensure they remain in your best interest over that of a commission-based account. If not, the account will be moved back to a commission-based account.

Referral Arrangements

Educators Financial Group may enter into a referral arrangement with other registrant firms when we are unable to offer you a certain product or service that is determined to be in your best interest. In such instances, the other registrant firm may pay a referral fee to Educators Financial Group. The referral fee is a negotiated amount between the other firm and Educators Financial Group. The details of the relationship between Educators Financial Group and the other firm will be provided to you prior to account opening. Educators does not permit advisors to enter into any referral arrangement on their own. Educators will not enter into any referral arrangement where the client would pay more for the same or substantially similar product or service.

Outside Business Activities

Educators Financial Group Advisors may engage in business activities that are outside of our business activities. In these instances, the Advisor must get approval from us to engage in any such activity. Activities where a conflict of interest may exist will be avoided if it can't be addressed in your best interest.

Power of Attorney / Executor / Trustee

Educators Financial Group accepts Power of Attorney designations on client accounts. Advisors are restricted from acting as a Power of Attorney on any client account, with the exception of a Related Person, as defined by the Income Tax Act (Canada). If an advisor is acting as Power of Attorney for a Related Person, they will not be permitted to service the account.