Portfolio: **Sam Pell**

Investor Policy Statement

RE: RRSP Portfolio Portfolio held by:

Sam Pell
123, My Street
Kingston, ON
K7K 7K7

Presented to the account holder
September 20, 2010

Prepared by:

William Britton
Marlin Financial Services Inc.
2 – 28 Dundas Street East
Napanee, ON
K7R1H6

Note to account holder: This Investment Policy Statement (IPS) assists your Financial Advisor and his/her Firm in determining an optimal asset mix for your portfolio.

The input you have provided regarding your existing investments, risk tolerance and investment objectives forms the foundation of the policy statement. Knowledge of your investing time horizon, liquidity and income requirements, tax factors, and other unique needs and preferences form additional building blocks.

The relevance of the IPS for your investment needs depends upon the accuracy and completeness of the information provided and the stated assumptions. It is recommended that you review this document with your investment professional.

Please refer to the IPS Disclaimer for other important information.

Investor Policy Statement (IPS)

Overview

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What is an Investment Policy Statement (IPS)?

The Investment Policy Statement (IPS) is the linkage between you, your investment manager, and your portfolio. It is a road map that guides the investment decision–making process, identifies risk–return objectives and establishes a formal, systematic portfolio review.

Creating and maintaining an IPS is an important duty of a fiduciary. The document balances return–seeking and risk–taking and addresses investment constraints such as tax factors and liquidity needs over a known time horizon, thereby increasing the investment manager's probability of success in helping you achieve your long–term investment goals.

A written investment policy enables your Advisor to establish clear, unambiguous investment guidelines and align them with an appropriate investment strategy. The IPS adds discipline to the investment process, reducing or eliminating inappropriate decisions.

The IPS also provides a concise method of communicating the process and objectives among all parties involved with the investments, and assigns responsibility for implementation. Conflicts of interest and misunderstandings are minimized given that both parties have agreed in advance to adhere to the policy statement.

An effective IPS is not restrictive, but highly flexible. The wording of the IPS should be able to accommodate the following: changes in your financial situation; procedural changes for modifying the IPS; material changes at your Advisor's firm; and, changes to the authority vested in your Advisor.

Signing and returning the IPS demonstrates that you agree with its contents. This **IPS is not a contract of any kind, and is not required for the Advisor to make trades in your account.** Feel free to suggest any changes you wish to make to this IPS before formally agreeing to it with your signature.

Investor Policy Statement (IPS)

Your Current Situation

Based on the information you have provided, the following was considered when determining your current financial situation:

– current investments

– income sources and needs (e.g. liquidity, growth)

– legal or regulatory constraints

– cash flow available for investment

– tax profile

– unique needs and/or circumstances

Your Investor Profile

An Investor Profile is a way of classifying you as an investor into a category or type. The Advisor uses the Investor Profile to help both of you understand and clarify your investment objectives and risk tolerance.

Investment Objectives

An investment objective outlines what you expect to achieve from a portfolio and when you expect to achieve it. Typically, an investor must make a trade–off between achieving safety of capital and a steady stream of income with the growth of capital.

I have considered important elements that would impact your investment objectives including your current financial situation, accumulation objectives, time horizon, risk tolerance as well as your growth of capital and income/liquidity requirements.

In our discussions, we agreed that your investment objective for your **RRSP Portfolio** portfolio is to **to achieve above average long–term growth.**

A time horizon is the span of time needed to reasonably to achieve an investor's investment objectives for this portfolio. In our discussions, we agreed on your investment time horizon as being 15–20 years.

Your Risk Tolerance

Is the amount of uncertainty you, as an investor, are comfortable with. Your level of risk tolerance depends on the degree that you are willing to accept a greater level of risk in order to achieve a potentially higher return.

Investors with a Growth Portfolio are willing to tolerate significant declines in the value of their portfolio, in order achieve greater long term growth.

However there may be periods, especially during significant market fluctuations, when the performance for your portfolio may under or over perform expectations.

The Recommended Portfolio

Your current financial situation, accumulation objectives, time horizon, risk tolerance as well as your growth of capital and income/liquidity requirements have all been considered when determining the recommended portfolio. Based on this analysis, and any other relevant information you may have provided,**I recommend A growth portfolio.**

The Portfolio Asset Allocation Strategy

An asset allocation strategy lays out a broad direction that will help us work towards reaching your financial goals for this portfolio.

In determining your asset allocation strategy, I have considered the appropriate mix of financial products, properly diversified across different asset classes and product categories (e.g. stocks, funds, GICs etc.) and different areas of focus (e.g. small cap v. large cap, value v. growth, geographical and sector weighting).

Asset classes included:

– Cash/Money Market

– Fixed Income

– Stable Growth Equities (i.e. blue chip/dividend paying)

– Moderate Growth Equities

– Long Term Growth Equities. (i.e. emerging and volatile industries and markets)

The percentage weighting to each asset class within the investment portfolio will vary. The percentage weighting within each asset class will be allowed to vary within a reasonable range of plus or minus 5%, depending upon market conditions.

An important factor taken into consideration when determining your asset allocation strategy is the need to strike the right balance between an acceptable level of risk with an opportunity for returns, for this portfolio.

A growth portfolio will be heavily weight to toward equity investments, that can achieve above average long term growth.

I have therefore allocated your portfolio in the following manner:

Cash 10%

Bond 20%

Canadian Equity 50%

International Equity 20%

The Recommended Portfolio cont...

The Portfolio's Expected Risk

Risk is defined by:

1) The size and frequency of declines in value, that the portfolio may experience during the investment period; and

2) The possibility that the portfolio will fail to achieve it's target return at the end of the investment period.

The latter risk will usually decline with increases in the investment period. If the funds are invested for a long period of time, then the portfolio has a greater opportunity to recover from short term declines.

The fluctuation in value, of a growth portfolio is expected to be greater than the overall debt and equity markets. Consequently there is a higher risk that it may fail to meet it's target return.

The Portfolio's Expected Return

A growth portfolio is targeted to provide a long term return that outperforms, the overall market.

Investing Requirements

There may be certain investment activities that we may wish to either consider or avoid.

Areas for discussion may include:

– Liquidity Requirements – how frequently would you need to make withdrawls from this portfolio?

– Acceptability of Leverage

– Maximum prices, management expense ratios, turnover rates

– Minimum quartile rankings, or ratings by a third party (e.g. Bell Globemedia)

– When and how to rebalance the portfolio

Monitoring & Communication

I will apply records of your investment assets held with Marlin Financial Services Inc. and other assets which you notify me of, in order to monitor your progress towards achieving your stated financial goals.

I will commit to reviewing and monitoring the **RRSP Portfolio** portfolio to ensure that it meets the investment policy guidelines and will let you know when major changes in the portfolio occur that may impact the portfolio's ability to reach its stated investment goals.

Planning ahead makes it easier for everyone involved, especially before the financial markets become turbulent. As market conditions or your personal circumstances change, I will suggest changes to your financial plan. I will contact you no less than **4 times a year.**

You will receive regular statements detailing your current holdings and any transactions which may have occurred.

Portfolio Rebalancing

The allocations for this portfolio will, in time, change due to market movements or unforeseen changes to the financial products in the portfolio. When rebalancing is required, investment yield and net cash inflows will be used to meet the strategic asset allocation targets. These meeting these targets help you reach your investment goals. If cash flow is not sufficient to meet the target allocation for an asset class, we will decide whether to effect transactions in order to rebalance the asset allocation. For more information on asset class and your target allocation please see The Recommended Portfolio section.

Common Investment Risks

What follows is a summary of the risks of investing. While not exhaustive, the list covers general factors that can reduce the value of an investment portfolio.

Market risk
Market risk is the impact of a decline in the overall market (i.e. Equity, Bonds, etc) on the value of your portfolio.

Interest rate risk
Is the impact of a change in the level of interest rates on the value of your portfolio
Bonds or treasury bills are affected directly by this risk more than stocks. As interest rates rise, bond prices will fall. Money market and bond funds are also sensitive to this risk.

Inflation risk
Inflation risk is the risk of a decline in the purchasing power of your savings due to a general rise in prices.

Credit risk
Credit risk is the risk of a decline in the value of bonds or money market instruments held in your portfolio because of a decline in the perceived creditworthiness of the issuer. In the worst case scenario, the investor could lose most or all of his or her investment if the issuer is unable to repay the debt obligation and, insufficient assets exist to pay off the debt. Check the credit rating of a bond issuer before investing.

Currency risk
Currency risk is the risk of a decline in the value of securities held in a foreign currency due to an appreciation in the value of the Canadian dollar. This risk also includes the potential of a decline in the profits of a Canadian issuer due to fluctuations in the value of currencies in which the issuer transacts with customers or supplies, or currencies in which the issuer holds foreign assets.

Equity risk
Equity risk is the general risk of investing in equity markets. The equities market will fluctuate based on a variety of factors including general economic and market conditions, interest rates, political developments, investor sentiment and changes within the company that issues the particular security.

Developing Market Investment Risk
Developing markets carry certain unique risks including poor market liquidity and transparency, volatile growth and political risk.

Investor Policy Statement (IPS)

Advisor/Investor Acknowledgement

By signing the IPS, you, Sam Pell, agree that the information contained in this statement accurately reflects your investor profile, including your risk tolerance level and your investment objectives.

It is your responsibility to inform William Britton of any parts of your portfolio held elsewhere or of any material changes that would impact your portfolio or your financial situation. William Britton will use this information to reassess your profile and provide appropriate consultation.

I Sam Pell, have read and understood the information presented within this Investment Policy Statement including the disclaimer provided at the end of this document.

Advisor Roles and Responsibilities

I William Britton, have reviewed the information presented within this Investment Policy Statement and agree to meet with you periodically to review the recommended portfolio.

Sam Pell ______________________________

William Britton ______________________________

Marlin Financial Services Inc.

Presented to Client:
September 20, 2010

Disclaimer

This document has been provided to William Britton and his/her Firm to assist William Britton in determining Sam Pell's optimal model portfolio.

This IPS does not constitute an offer to buy or sell specific securities. Recommendations that the Advisor may provide regarding the purchase or sale of specific investments will likely be based on a variety of factors other than the model portfolio set out in this document. Such other factors include retirement, estate or tax planning considerations, features of the particular investment, and the desirability of exposure to certain markets.

Your model portfolio's asset mix represents the long term recommended asset mix for a typical investor with your investor profile. The actual composition of the portfolio may vary from time to time based on a variety of factors including fluctuations in the value of specific holdings, the desirability of holding certain asset classes within the short or mid–term and, changes in your personal circumstances.

Investors should be aware that most categories of financial assets do not provide a guaranteed return and for certain assets, investors may lose a significant portion of their initial investment. Some of these risks are described under the section labeled "Major Risks of Investing".

Investors should further note that they may be subject to additional costs for holding or trading investments, including management fees expenses and trading commissions. Such costs will affect the performance of their portfolio.

Inflation risk is the risk of a decline in the purchasing power of your savings due to a general rise in prices.

All projected or expected rates of return and risk indicators contained in this policy statement are estimated based on past performance. Investors should also be aware that past performance of investments or asset classes is not necessarily indicative of future performance.

Sam Pell should refer to the New Client Application Form and other documents received from the Advisor for certain disclosures that the Advisor is obligated to provide.

Sam Pell should also refer to prospectuses or documents that his/her Advisor is obligated to provide upon the purchase of certain instruments, for other notices and information that Sam Pell is entitled to receive upon the purchase of these financial instruments.