

# **ATB Securities Inc.**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: September 2, 2014**

This Disclosure Brochure provides information about the qualifications and business practices of ATB Securities Inc. ("ATBSI"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (403) 974-5543.

ATBS is a Registered Investment Advisor primarily located in Calgary, Canada that provides advice to Canadian citizens in that may, at times, be located in the United States.

The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through ATBSI to assist you in determining whether to retain the Advisor.

Additional information about ATBSI is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ATB Securities Inc.  
CRD No: 172787  
200, 239 - 8 Avenue SW  
Calgary, Alberta T2P 1B9  
Phone: (403) 974-5543**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of \_\_\_\_\_.

\_\_\_\_\_ believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. \_\_\_\_\_ encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Initial Filing

\_\_\_\_\_ is a new Registered Investment Advisor. This is the initial filing of the Disclosure Brochure.

**[OR →]** \_\_\_\_\_ is an established Registered Investment Advisor; however, this is the initial filing of the Disclosure Brochure pursuant to the new regulations.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of \_\_\_\_\_.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for \_\_\_\_\_:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Firm** and enter **172787** (our firm's CRD number) in the field labeled "Firm Name or CRD# or SEC#" and click "Start Search".
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the Form ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (403) 974-5543 or by email at \_\_\_\_\_.

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#### ATB Securities Inc.

200, 239 - 8 Avenue SW \* Calgary, Alberta T2P 1B9

Phone: (403) 974-5543 \* Fax: \_\_\_\_\_

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Phone: (403) 974-5543 \* Fax: \_\_\_\_\_

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## Item 4 – Advisory Services

### A. Firm Information

ATB Securities Inc. (“ATBS” or the “Advisor”) is a Registered Investment Advisor located in Calgary, Canada. ATBS is

which is organized as a \_\_\_\_\_ under the laws of the [Enter State]. \_\_\_\_\_ was founded in \_\_\_\_\_ 2013, and is owned and operated by Chief Operating Officer, Michael G. Frederick. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by \_\_\_\_\_.

ATB Securities Inc. (“ATBSI”) is a wholly owned subsidiary of ATB Financial (“ATB”). ATB Financial is the trade name and registered trademark of Alberta Treasury Branches. ATBSI is a licensed user of the trademark ATB Investor Services.

Any securities traded through ATBSI are not deposit instruments guaranteed or insured in whole or in part by the Province of Alberta, the Canada Deposit Insurance Corporation (CDIC), any other government deposit insurer or agency, ATB Financial, or ATBSI. The value of and the investment return on any securities traded through ATBSI are subject to market fluctuation. Commissions, trailing commissions, management fees, and expenses all may be associated with mutual fund investments. Unit values of mutual funds will fluctuate, and past performance may not be repeated. Read prospectus before investing. ATBSI is a member of the Canadian Investor Protection Fund (“CIPF”). Customers' accounts are protected for losses within specified limits that result from the insolvency of a CIPF member. CIPF does not cover customers' losses that result from other causes, such as changing market values of securities, unsuitable investments, or the default of an issuer of securities. An explanatory brochure describing the nature and limits of coverage is available on request.

### B. Advisory Services Offered

\_\_\_\_\_ offers investment advisory services to [individuals, high net worth individuals, trusts, estates,.....] in [Enter State] and other states (each referred to as a “Client”).

#### Investment Management Services

\_\_\_\_\_ provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. \_\_\_\_\_ works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. \_\_\_\_\_ will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client's investment goals. The Advisor may also utilize individual stocks and bonds to meet the needs of its Clients.

\_\_\_\_\_’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate

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positions that have been held less than one year to meet the objectives of the Client or due to market conditions. \_\_\_\_\_ will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

\_\_\_\_\_ evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. \_\_\_\_\_ may recommend, on occasion, redistributing investment allocations to diversify the portfolio. \_\_\_\_\_ may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. \_\_\_\_\_ may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

**Prior to rendering investment advisory services, \_\_\_\_\_ will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective[s].**

\_\_\_\_\_ will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will \_\_\_\_\_ accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

### **C. Client Account Management**

Prior to engaging \_\_\_\_\_ to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – \_\_\_\_\_, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – \_\_\_\_\_ will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – \_\_\_\_\_ will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – \_\_\_\_\_ will provide investment management and ongoing oversight of the Client's portfolio and overall account.

### **D. Wrap Fee Programs**

**[Include if not offering a Wrap Fee Program...]**

\_\_\_\_\_ does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by \_\_\_\_\_.

### **E. Assets Under Management**

**[Include if Newly Registered Advisor...]**

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Phone: (403) 974-5543 \* Fax: \_\_\_\_\_

\_\_\_\_\_ is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2014 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

[OR if an established advisor...]

As of December 31, 2013, the most recent date for which such calculations are provided pursuant to securities regulations, \_\_\_\_\_ manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$0.00
Non-Discretionary Assets	\$0.00
<b>Total</b>	<b>\$0.00</b>

Clients may request more current information at any time by contacting the Advisor.

[OR if the advisor does not manage assets...]

\_\_\_\_\_ does not provide investment management and supervision and therefore has no disclosures to make.

## Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of \_\_\_\_\_ and the Client.

### A. Fees for Advisory Services

#### Investment Management

Investment Advisory Fees are paid \_\_\_\_\_ in \_\_\_\_\_ pursuant to the terms of the Investment Advisory Agreement.

[If Advisor fees are based upon AUM...]

Investment Advisory Fees are based on the market value of assets under management at the end of each calendar \_\_\_\_\_. Investment Advisory Fees range from \_\_\_\_\_ to \_\_\_\_\_ based on the following schedule:

Assets Under Management	Annual Rate
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____
_____ to _____	_____

[OR use range of fees language:]

Investment Advisory Fees range from \_\_\_\_\_ to \_\_\_\_\_ depending on the size and complexity of the Client relationship. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

Investment Advisory Fees in the first \_\_\_\_\_ of service are prorated from the inception date of the account to the end of the first \_\_\_\_\_. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by \_\_\_\_\_ will be independently valued by the designated Custodian. \_\_\_\_\_ will not have the authority or responsibility to value portfolio securities.

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**[State Specific - For CA Registrants...]** The Client may be able to attain similar services for a lower fee from other service providers.

#### Managed Accounts Programs

Fees for Clients participating in managed accounts programs will include \_\_\_\_\_'s Investment Advisory Fee above plus the Program Sponsors Fee.

#### Selection of Other Advisors

For Clients referred to the Advisor by an unaffiliated investment advisor, the Client's fee will be deducted from the Client's account[s] with the respective manager and a portion of the investment advisory fee will be provided to \_\_\_\_\_. Please see Item 14 for additional details.

#### **[If Advisor offers financial planning and consulting...at an hourly rate...]**

##### Financial Planning and Consulting Services

\_\_\_\_\_ offers financial planning or consulting services on an hourly basis ranging from \_\_\_\_\_ to \_\_\_\_\_ per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

#### **[OR at a fixed fee...]**

\_\_\_\_\_ offers financial planning or consulting services on a fixed fee basis ranging from \_\_\_\_\_ to \_\_\_\_\_, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

### **B. Fee Billing**

#### Investment Management

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective \_\_\_\_\_ end date. The amount due is calculated by applying the \_\_\_\_\_ rate (annual rate divided by **[4/12]**) to the total assets under management with \_\_\_\_\_ at the end of each \_\_\_\_\_. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting \_\_\_\_\_ to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

#### **Managed Accounts – Use section below, also in 4B, 5D, 10, and 14A...**

##### Managed Accounts

Clients participating in a managed accounts program or referred to unaffiliated money managers or investment advisors will be billed in accordance to the investment advisory agreement with the respective Program Sponsor or advisor. Program Sponsors will add \_\_\_\_\_'s Investment Advisory Fee and deduct the overall fee from the Client's account[s]. In situations where a Client is referred to an unaffiliated investment advisor, the investment advisor will collect its fee and compensate \_\_\_\_\_ out of its fee. Details are described in Item 14 below.

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#### Financial Planning and Consulting Services

Financial planning and consulting fees are invoiced by the Advisor and are due upon receipt of the agreed upon deliverable.

[Financial Planning and Consulting – Use line above or below, or remove both...]

Financial planning and consulting fees are invoiced 50% upon execution of the Financial Planning and Consulting Agreement and 50% upon receipt of the agreed upon deliverable.

#### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than \_\_\_\_\_, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by \_\_\_\_\_ is separate and distinct from these custodian and execution fees.

In addition, all fees paid to \_\_\_\_\_ for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of \_\_\_\_\_, but would not receive the services provided by \_\_\_\_\_ which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by \_\_\_\_\_ to fully understand the total fees to be paid.

#### **D. Advance Payment of Fees and Termination**

##### Investment Management

\_\_\_\_\_ is compensated for its services [in advance of the \_\_\_\_\_ in which / at the end of the \_\_\_\_\_ after] investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with \_\_\_\_\_, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. [IF Advance...] Upon termination, the Advisor will refund any unearned, prepaid Investment Advisory Fees from the effective date of termination to the end of the \_\_\_\_\_. The Client's Investment Advisory Agreement with the Advisor is non-transferable without the Client's written approval.

##### Managed Accounts Programs [Use section below, also in 4B, 5B, 10, and 14A...]

In the event that a Client should wish to terminate their relationship with a managed accounts program or unaffiliated investment advisor, the terms for termination will be set forth in the respective agreements between the Client and those third parties. \_\_\_\_\_ will assist the Client with the termination and transition as appropriate.

##### Financial Planning and Consulting Services

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation.

Either party may terminate a planning or consulting agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) days of signing the Advisor's financial planning or consulting agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro rata basis.

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200, 239 - 8 Avenue SW \* Calgary, Alberta T2P 1B9

Phone: (403) 974-5543 \* Fax: \_\_\_\_\_

## E. Compensation for Sales of Securities

\_\_\_\_\_ does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

## Item 6 – Performance-Based Fees and Side-By-Side Management

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\_\_\_\_\_ does not charge performance-based fees for its investment advisory services. The fees charged by \_\_\_\_\_ are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by any Client.

\_\_\_\_\_ does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### [If Advisor earns a performance fee...]

\_\_\_\_\_ may receive a Performance Fee based upon any gains obtained in the accounts of “Qualified Clients” pursuant to an Investment Advisory Agreement. Only Qualified Clients with either \$1,000,000 under management with the Advisor or a net worth of \$2,000,000 will be charged a Performance Fee. Qualified Clients that are charged a Performance Fee will be offered a lower Investment Advisory Fee. The Performance Fee will be calculated at the close of each calendar year and deducted from Client accounts directly by the Custodian. The Performance Fee will be equal to 20% of any gains in the Client account for the year. The Advisor will receive the Performance Fee only to the extent that there are cumulative gains in the Client's account for the year.

The receipt of a Performance Fee by certain Clients results in a potential conflict of interest, where \_\_\_\_\_ has the potential for higher compensation from a Client. \_\_\_\_\_ will charge a lower Investment Advisory Fee to all Clients that are charged a Performance Fee.

Who is a “Qualified Client”?

The Investment Advisers Act of 1940 (the “Advisers Act”), Rule 205-3(d)(1) defines a “Qualified Client” who is financially sophisticated and meets one or more of the following conditions:

- Client is a natural person who, or a company that, immediately after entering into the contract has at least \$1,000,000 under the management of the Advisor;
- Client is a natural person who, or a company that, immediately prior to entering into the contract has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000 at the time the contract is entered into.

## Item 7 – Types of Clients

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\_\_\_\_\_ provides investment advisory services to the following types of Clients:

### [Remove from listing if not applicable to Client...]

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Pension and Profit Sharing Plans – retirement plan sponsors or company plans
- Foundation and Endowments – non-profit organizations that manage a pool of assets, and distribute funds according to a mandate or mission
- 501(c)(3) Non-Profit Organizations – mission-based, non-profit organizations
- Corporations and Businesses – taxable business entities, investing cash reserves
- Other Financial Service Firms – other investment advisors

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The relative percentage of each type of Client is available on \_\_\_\_\_'s Form ADV Part 1. These percentages will change over time.

**[If Advisor does not impose a minimum Client fee or size...]**

\_\_\_\_\_ generally does not impose a minimum account size for establishing a relationship.

**[OR if imposing a minimum fee...see examples on Resources site]**

\_\_\_\_\_ generally requires a minimum account size of \_\_\_\_\_ to effectively implement its investment process.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

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### **A. Methods of Analysis**

\_\_\_\_\_ primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from \_\_\_\_\_ is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, \_\_\_\_\_ generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. \_\_\_\_\_ will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, \_\_\_\_\_ may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. \_\_\_\_\_ will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

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Phone: (403) 974-5543 \* Fax: \_\_\_\_\_

\_\_\_\_\_ may use margin in Client accounts to manage the timing of purchases and sales, as appropriate. \_\_\_\_\_ may employ options strategies to hedge or gain additional exposure to a particular asset class or sector. \_\_\_\_\_'s investment strategy encompasses active trading in concentrated portfolios. Following are some of the risks associated with Options, Margin and Short-Sale transactions:

#### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

#### Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

#### Short Sales

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

#### Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

#### Concentrated Portfolios

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

#### Frequent Trading

Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (403) 974-5543 or via email at \_\_\_\_\_.**

#### Item 9 – Disciplinary Information

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#### **ATB Securities Inc.**

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**There are no legal, regulatory or disciplinary events involving \_\_\_\_\_ or any of its employees.**

\_\_\_\_\_ and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information contained in Form ADV Part 1, select the option for "Investment Adviser Search", then selecting "Firm" and enter **172787** in the field labeled "Firm Name or CRD# or SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

You may also research the background of Michael G. Frederick by selecting the option for "Investment Adviser Search", then selecting "Individual" and entering Mr. Frederick's individual CRD number \_\_\_\_\_ in the field labeled "Individual Name or CRD#".

### **Item 10 – Other Financial Industry Activities and Affiliations**

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The sole business of \_\_\_\_\_ and Mr. Frederick is to provide investment advisory services to its Clients. Neither \_\_\_\_\_ nor its advisory personnel are involved in other business endeavors. \_\_\_\_\_ does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

[Or if a registered rep of a broker-dealer, insurance agent or other activity...also see examples on Insite under Resources]

#### **Broker-Dealer Affiliation**

Mr. Frederick is also a registered representative of [Broker-dealer name] of [City, State]. [Broker-dealer Name] is a registered broker-dealer (CRD No. XXXXXX), member FINRA, SIPC. In his separate capacity as a registered representative, Mr. Frederick will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by Mr. Frederick. Neither the Advisor nor Mr. Frederick will earn investment advisory fees in connection with any services implemented in Mr. Frederick's separate capacity as a registered representative where commissions are earned.

Generally, recommendations made by \_\_\_\_\_ to its Clients are implemented by Mr. Frederick in his role as a/an Chief Operating Officer, not in his role as a Registered Representative. As such, Clients of \_\_\_\_\_ will only pay advisory fees as described above. In no circumstances will \_\_\_\_\_ earn an advisory fee and a commission on the same investment. In the event that Mr. Frederick earns a commission on an investment, the advisory fee will be waived by \_\_\_\_\_.

#### **Insurance Agency Affiliations**

Mr. Frederick, Chief Operating Officer of \_\_\_\_\_, may serve as an insurance professional. This activity is done separate and apart from his role with \_\_\_\_\_. As an insurance professional, Mr. Frederick may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Frederick or the Advisor.

#### **Managed Accounts– [Use section below, also in 4B, 5B, 5D, and 14A...]**

As noted in Item 4, the Advisor may select unaffiliated money managers to assist with the implementation of a Client's investment strategy. In such arrangements, the Advisor will receive a portion of the investment advisory fees collected by the unaffiliated money managers from the Client. The Advisor will not charge its own investment advisory fee for assets referred to an unaffiliated money manager.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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## **A. Code of Ethics**

\_\_\_\_\_ has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with \_\_\_\_\_. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. \_\_\_\_\_ and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of \_\_\_\_\_ associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (403) 974-5543 or via email at \_\_\_\_\_.

## **B. Personal Trading with Material Interest**

\_\_\_\_\_ allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. \_\_\_\_\_ does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. \_\_\_\_\_ does not have a material interest in any securities traded in Client accounts.

## **C. Personal Trading in Same Securities as Clients**

\_\_\_\_\_ allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of \_\_\_\_\_ may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by \_\_\_\_\_ requiring reporting of personal securities trades by its employees for review by the employee's supervisor or the CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

## **D. Personal Trading at Same Time as Client**

While \_\_\_\_\_ allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards.

**At no time will \_\_\_\_\_, or any associated person of \_\_\_\_\_, transact in any security to the detriment of any Client.**

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## **Item 12 – Brokerage Practices**

### **A. Recommendation of Custodian[s]**

\_\_\_\_\_ does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize \_\_\_\_\_ to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, \_\_\_\_\_ does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

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Where \_\_\_\_\_ does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by \_\_\_\_\_.

\_\_\_\_\_ may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. \_\_\_\_\_ does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

[Add language for the institutional program at custodian...]

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. \_\_\_\_\_ **does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

**2. Brokerage Referrals** - \_\_\_\_\_ does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where \_\_\_\_\_ will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, \_\_\_\_\_ will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. \_\_\_\_\_ will execute its transactions through an unaffiliated broker-dealer selected by the Client. \_\_\_\_\_ may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Frederick, Chief Operating Officer of \_\_\_\_\_. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

[Financial Planning?]

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify \_\_\_\_\_ if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## Item 14 - Client Referrals and Other Compensation

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### A. Compensation Received by \_\_\_\_\_

\_\_\_\_\_ is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. \_\_\_\_\_ does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. \_\_\_\_\_ may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, \_\_\_\_\_ may receive referrals of new Clients from a third-party.

[OR if they use Managed Accounts, are a registered representative of a broker-dealer, insurance agent or receiving other compensation....]

#### Selection of Other Advisors

\_\_\_\_\_ may refer Clients to unaffiliated money managers, as detailed in Item 4. In such arrangements, \_\_\_\_\_ has a potential conflict of interest in that \_\_\_\_\_ will receive a portion of the unaffiliated money manager's fee collected from the Client for the referral of the Client and the ongoing relationship management support provided by \_\_\_\_\_. To mitigate this conflict of interest, \_\_\_\_\_ will not charge investment advisory fees on assets referred to an unaffiliated manager under such arrangements.

#### Participation in Institutional Advisor Platform

\_\_\_\_\_ has established an institutional relationship with [CustodianFormalName] ("[CustodianShortName]") to assist the Advisor in managing Client account[s]. Access to the [Custodian] Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at [CustodianShortName]. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from [CustodianShortName]: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

### B. Client Referrals from Solicitors

\_\_\_\_\_ does not engage paid solicitors for Client referrals.

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[Or if using solicitors, add language here...]

### Item 15 – Custody

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[If Advisor does not have custody...]

\_\_\_\_\_ does not accept or maintain custody of any Client accounts, except for the authorized deduction of the advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct \_\_\_\_\_ to utilize that custodian for the Client's security transactions. \_\_\_\_\_ encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

### Item 16 – Investment Discretion

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\_\_\_\_\_ generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by \_\_\_\_\_. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by \_\_\_\_\_ will be in accordance with each Client's investment objectives and goals.

### Item 17 – Voting Client Securities

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\_\_\_\_\_ does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### Item 18 – Financial Information

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Neither \_\_\_\_\_, nor its management, have any adverse financial situations that would reasonably impair the ability of \_\_\_\_\_ to meet all obligations to its Clients. Neither \_\_\_\_\_, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. \_\_\_\_\_ is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of [\$1,200/\$500] or more for services to be performed six months or more in advance.

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