

Best Execution and Order Handling Disclosure

Wealthsimple Investments Inc. (“WSII”) is a registered investment dealer and member of the Investment Industry Regulatory Organization of Canada (“IIROC”). Under IIROC Rules, WSII is required to have policies and procedures that are designed to achieve “best execution” for client orders and provide its clients with information on those policies and procedures.

This disclosure applies to our order handling practices for listed stocks and exchange-traded funds (“ETFs”) in Canada and the United States and listed options contracts in the United States.

Best execution is defined as “obtaining the most advantageous execution terms reasonably available under the circumstances.” WSII will take all reasonable steps to achieve best execution for client orders, taking into consideration the kind of ~~stock, ETF or options contract~~ security or options contract to be traded and the nature of the order and in accordance with applicable regulatory requirements and ~~marketplace rules~~ the rules of the applicable exchanges, alternative trading systems and market centers (collectively, “marketplaces”).

Some investment dealers are a Participating Organization, member, or subscriber of the available Canadian or U.S. ~~marketplaces exchanges and alternative trading systems~~ (referred to as “Executing Brokers”). WSII is not an Executing Broker. WSII routes client orders to ~~unaffiliated~~ unaffiliated Executing Brokers that we have assessed and entered into agreements with, which then execute the orders ~~on an exchange or alternative trading system~~ on WSII’s behalf.

Factors Considered for Achieving Best Execution

WSII considers several factors in its attempt to achieve best execution, including the:

- ~~Price of the stock~~ security;
- Speed of execution;
- Certainty of execution;
- Overall cost of the transaction; and
- Prevailing market conditions, which includes the direction of the market ~~for the security~~, the depth of the posted market, the last sale price and prices and volumes of previous trades, the size of the spread and the liquidity of the ~~stock, ETF or options contract~~ security.

The above factors are considered along with any order handling instructions WSII may receive from you, its client, such as a limit price or good-till-cancelled instruction.

Order Handling and Routing

WSII utilizes vendor-provided order management systems and routes orders to its Executing Brokers for execution. ~~Executing Brokers may use WSII utilizes the Smart Order Routers (“SORs”) provided by its Executing Brokers~~ to manage client orders routed to ~~marketplaces or other trading venues exchanges or alternative trading systems (collectively, “marketplaces”)~~ marketplaces or other trading venues. Orders for stocks or options contracts listed only in the United States may be routed by our U.S. Executing Brokers to a marketplace, trading venue or liquidity provider.

WSII and/or its Executing Brokers may pay marketplace fees or receive marketplace rebates when routing orders to certain ~~Canadian~~ Canadian marketplaces. The fee schedules of each marketplace are available on the respective websites.

WSII and/or its Executing Brokers may receive remuneration in the form of cash, rebates and/or credits against fees in return for routing client orders for U.S. stocks to its U.S. Executing Brokers. However, WSII's best execution obligation requires prioritization of and consideration for the factors listed above, outside of any remuneration WSII may receive.

Trade execution details are provided via the trade confirmation(s) WSII provides to you. The trade confirmation will include the total quantity bought or sold, the ~~execution~~ trade price, and the commission charged by WSII, and indicate whether you received an average price and/or if we acted as principal or agent in executing all or part of the order. Additional information can be made available upon request.

Hours of Operation

WSII will accept orders for execution during the hours that markets are open for trading on regular business days. For stocks, ETFs and most options contracts, this is between the hours of 9:30am to 4:00 pm Eastern Time (or "ET"). Some options contracts are traded later into the day, and for those options contracts, we may accept orders later than 4:00pm ET. during regular business days. Orders received prior to market open (9:30am ET) or after market close (generally 4:00pm ET) are queued and routed for execution during the next trading session. WSII follows the holiday calendar of the primary Canadian marketplaces for orders in Canadian-listed ~~stocks~~ securities and ETFs and the primary U.S. marketplaces for orders in U.S.-listed ~~stocks~~ securities, ETFs and options contracts.

Primary Marketplace

For ~~stocks and ETF~~ securities listed in Canada, the Primary Marketplace will be the Exchange on which the ~~stock or ETF~~ security is listed. Generally, orders received during the regular trading session (9:30am to 4:00pm ET) are immediately routed to WSII's Executing Brokers for execution, and handled by the SOR of the applicable Executing Broker. Orders placed outside the regular trading session are handled as follows:

- Orders received prior to the Primary Marketplace opening are queued for the opening of the Primary Marketplace on that trading day.
- Orders received after the Primary Marketplace close are queued for the opening of the Primary Marketplace on the following business day.

Any portion of an order that cannot be immediately filled will be entered on the Primary Marketplace or an alternative marketplace(s) and will remain in the applicable order book(s) until the order is filled, expired, changed or cancelled.

Day Orders

A Day Order is an order to trade that expires if it is not executed on the intended trading day ~~that it is placed~~. The intended trading day for a Day Order is the day that the order is placed, if the applicable market is open, or any day prior to the next day that the market is open. All Day Orders entered prior to market close (4:00pm ET) will expire, if not filled in full, at 4:00pm ET. Day Orders entered after market close will be queued for order entry on the following trading day. Day Orders entered on a weekend or holiday, when markets are closed, will be queued for order entry on the following trading day, but expire at the end of that trading day if not filled.

Good Till Cancelled / Good Till Date Orders

Good Till Cancelled (or "GTC") orders are orders that will remain valid (between 9:30am and 5:00pm each trading day) until fully executed, ~~partially executed~~, cancelled by the client or a specified date of expiry. If not immediately executable, these orders will be entered and remain open in WSII's trading systems until fully executed, ~~partially executed~~, cancelled by our client or expiry, whichever comes first.

GTC orders may not be available on all marketplaces or for all order types due to marketplace rules or Executing Broker order handling practices convention.

Good Till Date (“GTD”) orders are orders that will remain valid (between 9:30am and 5:00pm each trading day) until executed, cancelled or an expiry date selected by WSII’s client. GTD orders cannot be valid for longer than 90 days.

Market Orders

A market order is an order to buy or sell a stock security at the prevailing whatever prices are available in the marketplace to help ensure a complete execution of your order. WSII may apply a limit on buy market orders to minimize market impact. Market orders are not supported for orders in options contracts.

Limit Orders

A limit order is an order for a stock or options contracts security at a specific minimum sale price or maximum purchase price that is not to be exceeded.

Specific Instructions

When the client gives specific instructions relative to the execution of their order, WSII will execute in accordance with these instructions. Instructions may include setting a limit price, order duration or condition for when an order should be executed. Certain order instructions may impact the execution quality received or cause the order to be rejected by WSII.

Executing Brokers

Orders routed to WSII’s Executing Brokers are subject to the order handling and routing practices of that Executing Broker. WSII’s Canadian Executing Brokers are all registered investment dealers and members of IIROC, and like WSII, are required to have in place policies and procedures designed to achieve best execution. Our U.S. Executing Brokers are all registered broker-dealers and members of the Financial Industry Regulatory Authority. U.S. Executing Brokers may apply different criteria when assessing execution quality due to local rules and regulations but are similarly subject to best execution obligations.

WSII conducts recurring assessments of the execution quality provided by all of its Executing Brokers. In addition, at least annually, WSII reviews and obtains certifications from each of its Executing Brokers, attesting that the Executing Broker has complied with and tested its best execution policies and procedures in accordance with IIROC Rule 3100.

Additional information on our Executing Brokers and/or their policies and procedures related to best execution are available upon request.

Foreign Organized Regulated Markets

Certain stocks securities and ETFs are “inter-listed”, which means they are listed on both an exchange in both Canada and a foreign jurisdiction (usually the United States). In certain cases, when handling a client order in an inter-listed stock security or ETF, WSII’s Executing Broker may decide that all or part of the order could be transacted outside of Canada. In such cases, WSII’s Executing Brokers are required to consider the available liquidity domestically and in the foreign market, any pricing or foreign exchange considerations in the foreign market as well as any clearing or settlement issues before deciding to transact outside of Canada. Any resulting trade would be executed through the Executing Broker on a Foreign Organized Regulated Market. This ensures that trades conducted outside of Canada are conducted on a market that provides substantially the same standards as found in Canada for both regulatory monitoring and public data dissemination.

Technical Issues

In cases where a client is having trouble accessing their account or placing an order(s), WSII's Trade Desk is available to receive manual orders during the regular trading session (9:30am and 4:00pm ET). Staff may be further available for assistance before and after these hours. The Trade Desk can be reached at 1-866-644-6881 or 416-595-7200. The Trade Desk will accept market day orders, but no special instructions. Prior to calling the Trade Desk, you should have the necessary account information and order details prepared.

Auto-Exercising of Options

Long option contracts that are in-the-money are automatically exercised at expiration, provided that sufficient settled cash or assets are available in the account to afford the exercise. If the client has sufficient settled cash or assets available to exercise some but not all of the in-the-money option contracts held in their account, WSII will exercise option contracts based on the order the position was opened (FIFO). If an account does not have sufficient settled cash or assets, the in-the-money option contract will not be exercised and expire.

Conflicts of Interest Relating to Best Execution

WSII considers a conflict of interest to be any circumstance where the interests of different parties, such as the interests of a client and those of WSII, are inconsistent or divergent. WSII takes reasonable steps to identify all existing and potential material conflicts of interest, and those we would reasonably expect to arise with regards to fulfilling our best execution obligation. For more information, please refer to our Conflicts of Interest Disclosure.

Use of Market Data

WSII provides snapshot access to real-time quotes in the Wealthsimple mobile and internet apps, but does not provide market data as a service. The price that is displayed in the app for a stock or options contract may have changed by the time you place an order, and the price or quote information provided by WSII may not reflect the consolidated quote for the stock or options contract. Trading with incomplete or delayed trading data can reduce your ability to see available orders on every marketplace. WSII's Executing Brokers consider real-time prices from all marketplaces when executing our client orders, regardless of the pricing information displayed in the Wealthsimple app.