# Credential, Qtrade and NEI to merge and create Aviso Wealth

Frequently Asked Questions

1. **What's happening?**
   Our wealth management partner Credential Financial has announced plans to merge with QTrade Inc. and NEI Investments to create a new firm called Aviso Wealth.

2. **Why are the three companies merging?**
   Although all three companies are profitable and growing, the merger of Credential, Qtrade and NEI creates an even stronger organization, with greater potential for growth, profitability and innovation than the individual companies could achieve by themselves. As a full-service wealth management provider, Aviso Wealth will have the scale and capability to drive improvements in products, service and innovation to offer our members. It will be a Canadian financial services leader with an integrated wealth management platform and $50 billion in assets under administration. With the merger, Aviso Wealth will become a leading provider of wealth management products and services, with notable strengths in investment management, online brokerage, mutual funds, asset management and correspondent services.

3. **I currently have a Credential account, how will this affect me?**
   Until the merger is approved (over the next 75-90 days) by the regulators and the Competition Bureau of Canada, it's business as usual for everyone. Nothing changes with your accounts and we will continue to provide you with the best investment products and services to meet your needs. Any invested money stays in the same account in the immediate future. The same goes for any fees you pay on your accounts. We'll give you plenty of notice if there are any material changes with any of your accounts. Note your current relationship with your Vancity wealth management professional will not be affected throughout this transition. We can also assure you that your privacy will always remain a priority for us and Credential.

4. **Who owns the new merged company?**
   Aviso Wealth will be jointly owned by Desjardins and a partnership of the five provincial credit union centrals and CUMIS.

5. **Who is included in the centrals-CUMIS partnership?**
   - The partnership involves the five provincial credit union centrals, which represent the majority of credit unions in Canada, and CUMIS.
   - The 5 provincial credit union centrals are: Central 1 Credit Union (representing B.C. and Ontario), Credit Union Central of Alberta, Credit Union Central of Saskatchewan, Credit Union Central of Manitoba, and Atlantic Central. Each central is owned by its members – the respective provincial or regional credit unions - with Central 1 owned by British Columbia and Ontario credit unions.
   - CUMIS is a financial institution owned 73% by The Co-operators with the remaining 27% owned by Central 1.

6. **Who currently owns the three merging companies?**
   - Credential is owned jointly by CUMIS and the credit union centrals.
   - Qtrade is owned by Desjardins.
   - NEI is owned jointly by Desjardins and the credit union centrals.

7. **How many credit unions are represented in the deal?**
   About 300 of Canada's credit unions across the country are represented by the centrals and thus will have an ownership stake in the new company.

8. **Were the merging companies in financial difficulty?**
   No, all three firms are successful and profitable. Merging the three companies into Aviso Wealth will allow them to drive greater growth, innovation and profitability as well as provide enhanced products and services for customers than they would have on their own.

9. **Where will Aviso's head office be located?**
   The head office will be located in Toronto, but the main operations of the merging companies will remain in their current locations.

10. **When will the transaction close?**
    The transaction is expected to close by Feb. 28, 2018, subject to approval from regulators and compliance with customary closing conditions.

11. **What will happen to the existing brands and products of the merging companies?**
    They will continue as usual in the short term, but will be reviewed with the aim of maximizing synergies, and enhancing product offerings and member and customer service. As all three businesses are currently growing and profitable, there are no plans to sell off or discontinue any of the existing product or service offerings.

12. **Will this affect the IA Clarington Inhance socially responsible investing (SRI) mutual funds?**
    No, Vancity will remain a sub-advisor on the IA Clarington Inhance socially responsible investing (SRI) mutual funds, which means we will continue to be able to add our voice to the selection of companies in these funds.

13. **How will credit unions benefit?**
    Credit unions benefit by being able to offer their members an integrated and evolving range of competitive investment products and services. The majority of credit union members currently purchase wealth management products from other providers. With the aging demographic and billions of dollars about to change generational hands, having an integrated financial services platform will help retain much of this investment capital in the credit union system.

14. **Is this transaction subject to authorization from regulatory authorities?**
    Yes, authorization is required from the Office of the Superintendent of Financial Institutions, the Competition Bureau and other federal and provincial regulators.