

Dear Valued Clients,

The financial impacts of Covid-19 have been felt throughout the financial industry and around the globe. Many portfolios and companies have experienced downturns from which there will be no easy or quick recovery.

At the AGM, we indicated that we had received a Letter of Intent to sell PACE Securities Corp. (PSC). We were hopeful that this business would find a soft landing, despite unstable market conditions. However, since that time, PSC has been unable to raise and secure capital funding and therefore the sale/purchase previously communicated will not be possible.

The Board of Directors and PACE leadership team, in consultation with regulators, have determined that now is the right time to wind-up PSC. For clarity, PSC's regulator is IIROC; whereas the Credit Union is regulated by FSRA.

As a result, Ernst & Young (EY) has been appointed by the Ontario Superior Court of Justice on May 14, 2020 under the *Business Corporations Act* ("OBCA") and the *Canada Business Corporations Act* ("CBCA") to lead the wind-up activities of PSC.

EY will be overseeing this orderly wind-up and supplying excellent support for all clients, including a hotline to answer all questions. EY is very experienced in these transitions and will ensure an orderly transfer of all client accounts to another broker. Your securities or investments will be transferred in-kind and are not being liquidated as a result. EY is dealing with this situation as expeditiously as possible.

If you have any questions, please contact EY using the information below, where your queries will be responded to within two business days, if not sooner.

- Toll-Free Hotline (North America): 1-855-943-7141 (local Hotline: 416-943-7141)
- Email: pace.securities@ca.ey.com

There will also be a dedicated website www.ey.com/ca/pacesecurities, where additional information will be posted as it becomes available.