

Sharing Timely News About Our Business and PACE Securities

From: Barbara Dirks, CEO, PACE Credit Union

Friday May 15, 2020

Dear Members,

Following the discussions from our AGM on April 28, 2020, the Board and the PACE Credit Union leadership team have worked diligently to ensure that we are serving the best interests of our members.

Like you, we are relieved to be slowly coming through the other side of the Covid-19 lockdown. We are so proud of our branch teams and members for the community spirit shared in these past months. It has renewed our commitment to ensure an appropriate, core-business foundation for PACE Credit Union on which we can all thrive.

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. Therefore, now is the right time to conclude our relationship with PSC and close that chapter of our history. This decision allows us to focus on helping those members who invested with PSC and keep PACE Credit Union stable.

Ernst & Young (E&Y) is overseeing the orderly wind up of PSC and supplying excellent support, including a hotline for our members who invested in PSC. Impacted members will have E&Y's support transitioning their accounts to a new brokerage firm, including the transfer of their investments. E&Y is very experienced in these transitions and will ensure an orderly transfer of accounts to another broker; securities or investments will be transferred in-kind and are not being liquidated as a result.

Winding up PACE Securities will take some time and, while it directly impacts only a small number of members, we are committed to keeping everyone informed along the way:

- If you are one of the members who invested, we will be reaching out to you directly when we have more details
- In the meantime, we have a [Frequently Asked Questions](#) (FAQ) posted on our website.
- If you wish to speak with an expert at E&Y, there is a dedicated Toll-Free Hotline (North America): 1-855-943-7141 (local Hotline: 416-943-7141) with a commitment to responding to all queries within 48 hours if not sooner
- E&Y will also set up a website dedicated to PACE Securities clients www.ey.com/ca/pacesecurities which includes an email pace.securities@ca.ey.com contact as well.

Like you, we believe that our credit union is and should be accountable and transparent in everything it does. Our Contact Centre is always ready to take your calls and our Branch teams are happy to speak with you. Rest assured that your deposits continue to be secure, and that your financial needs continue to be served. PACE Credit Union is here to stay.

We are working to uncomplicate and communicate; contact us any time.

Barbara Dirks