

Scorecard - Synergy North Corporation

8/30/2023

Performance Outcomes		Performance Categories	Measures	2018	2019	2020	2021	2022	Trend	Industry	Distributor	
Customer Focus Services are provided in a manner that responds to identified customer preferences.	Service Quality	New Residential/Small Business Services Connected on Time		99.00%	99.67%	98.74%	100.00%	100.00%	↑	90.00%		
		Scheduled Appointments Met On Time		100.00%	100.00%	100.00%	100.00%	100.00%	→	90.00%		
		Telephone Calls Answered On Time		95.00%	90.86%	87.51%	89.99%	90.53%	↓	65.00%		
	Customer Satisfaction	First Contact Resolution		A+	A+	A+	A+	A+				
		Billing Accuracy		100.00%	99.92%	99.96%	99.93%	99.92%	↓	98.00%		
		Customer Satisfaction Survey Results		A	A	A	A	A				
Operational Effectiveness Continuous improvement in productivity and cost performance is achieved; and distributors deliver on system reliability and quality objectives.	Safety	Level of Public Awareness		83.00%	83.00%	84.00%	84.00%	87.00%				
		Level of Compliance with Ontario Regulation 22/04 ¹		C	C	C	C	C	→		C	
		Serious Electrical Incident Index	Number of General Public Incidents		0	0	0	0	1	↓		0
			Rate per 10, 100, 1000 km of line		0.000	0.000	0.000	0.000	0.001	↓		0.000
	System Reliability	Average Number of Hours that Power to a Customer is Interrupted ²		2.12	1.41	0.75	1.28	1.40	↓		1.77	
		Average Number of Times that Power to a Customer is Interrupted ²		2.61	2.25	1.85	1.96	2.26	↓		2.49	
	Asset Management	Distribution System Plan Implementation Progress		101.14	100.00	95.60	97.41	N/A				
	Cost Control	Efficiency Assessment		3	3	3	3	3				
		Total Cost per Customer ³		\$678	\$675	\$641	\$651	\$755				
		Total Cost per Km of Line ³		\$30,585	\$30,199	\$28,793	\$29,384	\$33,928				
Public Policy Responsiveness Distributors deliver on obligations mandated by government (e.g., in legislation and in regulatory requirements imposed further to Ministerial directives to the Board).	Connection of Renewable Generation	Renewable Generation Connection Impact Assessments Completed On Time ⁴			100.00%							
		New Micro-embedded Generation Facilities Connected On Time		100.00%	100.00%		100.00%	100.00%	→	90.00%		
Financial Performance Financial viability is maintained; and savings from operational effectiveness are sustainable.	Financial Ratios	Liquidity: Current Ratio (Current Assets/Current Liabilities)		1.70	1.81	2.03	1.73	1.61				
		Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio		0.78	0.76	0.79	0.74	0.81				
		Profitability: Regulatory Return on Equity	Deemed (included in rates)		8.84%	8.85%	8.85%	8.85%	8.85%			
			Achieved		8.11%	9.71%	7.98%	7.82%	3.82%			

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
 2. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
 3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
 4. Value displayed for 2021 reflects data from the first quarter, as the filing requirement was subsequently removed from the Reporting and Record-keeping Requirements (RRR).

Legend:

5-year trend
 up down flat

Current year
 target met target not met

2022 Scorecard Management Discussion and Analysis (“2022 Scorecard MD&A”)

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2022 Scorecard MD&A:

https://www.oeb.ca/sites/default/files/uploads/Report_of_the_Board_Reliability_Measures_20150825.pdf

Scorecard MD&A - General Overview

Synergy North Corporation (“SYNERGY NORTH”) owns, operates and manages the assets associated with the distribution of electrical power to approximately 56,000 customers in Northwestern Ontario communities. On January 1, 2019, SYNERGY NORTH was incorporated through Ontario Energy Board approval in a merger, amalgamation, acquisition, and divestiture (MAAD) application (EB-2018-0124) seeking approval to merge the two distribution companies and operate under the new distribution license ED-2018-0233.

SYNERGY NORTH currently has two rate districts which are divided into:

- 1) Thunder Bay rate district serving Thunder Bay and Fort William First Nation;
- 2) Kenora rate district serving Keewatin and Kenora.

The scorecard results discussed herein relate to the merged 2022 results as well as merged historical results. SYNERGY NORTH monitors the scorecard measures on an ongoing basis and continuously seeks opportunities to improve its performance. The company is committed to meeting the needs of its customers both today and in the future and discovering synergies within its company. SYNERGY NORTH is confident that its focus on customer outcomes will allow it to continue to meet or exceed performance targets. SYNERGY NORTH is committed to continuous year over year performance improvement for 2022 and into the future.

Service Quality

- **New Residential/Small Business Services Connected on Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.2) requires electricity distributors to connect and complete a new service request for low voltage (<750 volts) within five business days from the day on which all applicable service conditions are satisfied.

Over the 2018 to 2022 period, SYNERGY NORTH has achieved excellent results connecting our new residential, micro fit, and small business customers on time. This is consistently above the OEB's industry standard of 90% for all Distribution Companies in Ontario. In 2022 SYNERGY NORTH achieved a result of 100% of all its new residential/small business services connected within five business days in both of its rate districts.

- **Scheduled Appointments Met On Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.4) requires that for appointments during regular business hours, the electricity distributor must offer a window of time that is no longer than four hours. The distributor must then arrive for the appointment within the scheduled time frame 90% of the time on an annual basis.

SYNERGY NORTH exceeded the industry target and achieved a result of 100% in 2022. SYNERGY NORTH has consistently performed far better than the Ontario Energy Board industry quality standard of at least 90% of the time on an annual basis in both rate districts. SYNERGY NORTH has demonstrated strong performance throughout the years 2018 to 2022 achieving a service level of 100% appointments met on time. SYNERGY NORTH aims to continue meeting all new service connections and appointments 100% of the time across both rate districts in the future.

- **Telephone Calls Answered On Time - Industry Target Exceeded**

The Ontario Energy Board's Distribution System Code (DSC 7.6) requires that customer calls must be answered within a 30 second window 65% of the time. This measure can be highly influenced by factors such as the amount of power outages in a year and front-line staffing levels, which can fluctuate greatly throughout the year.

SYNERGY NORTH has consistently performed better than the Ontario Energy Board quality standard of answering 65% of external calls that it receives within 30 seconds. SYNERGY NORTH sets a specific internal company goal intentionally higher than the Ontario Energy

Board mandated target as our continued commitment to our customer service quality. The company has set a target rate of 90% of all calls answered within the 30 second window for all customers across both rate districts. For 2022, SYNERGY NORTH is pleased to report that it has achieved a rate of calls answered of 91% in fewer than 30 seconds, which is an increase from 2021's performance measure of 90% and still exceeds the organization's own internal benchmark. SYNERGY NORTH aims to maintain the same internal key performance indicator above the OEB mandated rate ensuring that the company not only meets the mandated Board target of 65% but that it is exceeded every year by a wide margin.

Customer Satisfaction

- **First Contact Resolution - Industry Target Not Established**

First Contact Resolution is a measure of a distributor's effectiveness at satisfactorily addressing customers' complaints and inquiries. SYNERGY NORTH aims to minimize and address customer complaints as quickly as possible and at the first point of contact with an employee of the utility. In doing so, the organization tracks and monitors service inquiries.

When a customer from either rate district contacts SYNERGY NORTH, they expect to have their issue resolved within one call or interaction. SYNERGY NORTH recognizes this customer satisfaction measure, and closely monitors the incoming call types and escalations for each customer interaction. Using this knowledge SYNERGY NORTH is regularly performing internal training for customer service and front-line representatives, to be able to answer customer inquiries at the first point of contact. SYNERGY NORTH also finds it extremely effective to update front line staff of industry changes related to billing, industry news, conservation measures, or internal operations, enabling them to quickly and efficiently respond at the first point of contact.

In 2022 SYNERGY NORTH has achieved a first contact resolution score (inquiries resolved at first point of contact) of "A+" on SYNERGY NORTH's scorecard. This result is consistent between the years 2018 – 2022 and is the standard of customer service that Synergy North Corporation will aim to maintain on future score cards.

- **Billing Accuracy – Industry Target Exceeded**

The OEB prescribes a measurement of billing accuracy which must be used by all electricity distributors. The uniform measure for billing accuracy is defined and calculated as:

Percentage of bills inaccurately issued = (total number of bills issued for the year - number of **inaccurate** bills issued for the year) / the total number of bills issued for the year.

In 2022 SYNERGY NORTH issued 683,510 measurable bills and achieved billing accuracy rate of 99.92%. SYNERGY NORTH over the last five years has continued to exceed the Ontario Energy Board prescribed benchmark target of 98%. SYNERGY NORTH will continue this trend and be committed to providing customers with accurate and timely bills and aims for this measure to achieve a rating of 100%.

- **Customer Satisfaction Survey Results – Industry Target Not Established**

Ontario Energy Board introduced the ‘Customer Satisfaction Survey Results’ measure beginning in 2013. As a minimum, distributors are required to measure and report a customer satisfaction result every other year. At this time the OEB is allowing electricity distributors the discretion as to how they implement this measure.

SYNERGY NORTH’s primary objective is to obtain valuable, unbiased, and statistically sound data that will support internal discussions for improving customer care at every level in the company. During 2022 SYNERGY NORTH contracted ‘Brickworks Communications’ to conduct the customer satisfaction survey. Brickworks then conducted telephone interviews, surveying randomly sampled residential and small to medium sized business customers using a full customer listing supplied to them by SYNERGY NORTH for both rate districts.

The survey asked specifically about the customer’s overall satisfaction with SYNERGY NORTH. Customers responded that they are satisfied or very satisfied with the utility’s overall performance.

SYNERGY NORTH classifies this result as an overall ranking of ‘**A**’ for SYNERGY NORTH which is consistent with the ranking of ‘**A**’ achieved in both the 2019 and 2021 survey results.

SYNERGY NORTH has maintained a very high level of performance with respect to service quality and customer satisfaction results and is consistently seeking improvements and efficiencies. This customer survey and other customer engagement practices will continue in the future for both of SYNERGY NORTH rate districts.

- **Public Safety**

In 2015, the OEB introduced measures in the Safety performance category for reporting. The Public Safety measure is generated by the Electrical Safety Authority and is comprised of three components: (A) Public Awareness of Electrical Safety, (B) Compliance with Ontario Regulation 22/04, and (C) Serious Electrical Incident Index. A breakdown of the three components is as follows:

- **Component A – Public Awareness of Electrical Safety – Industry Target Not Established**

The Public Electrical Safety Awareness survey measures the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. The Ontario Energy Board has indicated that the performance target for public awareness of electrical safety will be established once three years of data is gathered.

To produce a statistically sound survey SYNERGY NORTH engaged a third-party service 'Brickworks' to perform the Public Awareness of Electrical Safety Report in February of 2022. The results for the Public Awareness of Electrical Safety Survey are to be used on a bi-annual basis and Brickworks results are based on a telephone survey (Random Digit Dialing) among 400 members of the general public, 18 years of age or older, within the distributors geographic service territory.

As a result of the performed survey, SYNERGY NORTH achieved a Public Safety Awareness Index Score of 87%. The awarded averages were determined using an index score calculation from six core measurement questions. Below are the questions asked to Thunder Bay and Kenora regional consumers and non-consumers, as well as the corresponding knowledge scores;

Six Core Safety Question

- 1) Likelihood to 'Call before you dig'.
- 2) Impact of Touching a Power Line.
- 3) Proximity to overhead power line
- 4) Danger of tampering with electrical equipment.
- 5) Proximity to downed power line.
- 6) Action taken in vehicle contact with wires.

Customer Response

85% Correct Response
98% Correct Response
83% Correct Response
99% Correct Response
81% Correct Response
96% Correct Response

Safety is a core value at SYNERGY NORTH, both internal and external. External safety initiatives include public awareness regarding electrical safety. In 2022 the following initiatives took place in our service area of Thunder Bay and Kenora:

Hi-Line Hazard Program 2022: Due to such a low level of interest from schools regarding our virtual Highline Hazard Program, this spring we pivoted in how we connect with this target audience. Throughout the month of June, our staff and a few of their children attended the year end BBQ for five schools in the City of Thunder Bay to provide information to students, teachers, and parents regarding electrical safety. Our presence at these events was a huge success as we reached over 2500 individuals.

Social Media: SYNERGY NORTH posted numerous posts from the Electrical Safety Authority (ESA) and Ontario One Call on a variety of topics including: DigSafe, Power Line Safety Week, Cottage opening reminders, Storm Safety, Emergency Preparedness/Kits reminder, Play it Safe with Electronics, Back to School Reminders, Closing the Cottage Tips, Downed Powerlines can be Dangerous, and Overhead Powerline Safety.

Kenora Home and Garden Show: SYNERGY NORTH hosted a booth at the Kenora Home and Garden Show in April 2022. Safety messaging around Call or Click Before you Dig was shared over the three-day event.

SYNERGY NORTH recognizes the potential for improvement and aims to increase the public awareness of electrical safety well into the 90th percentile to maintain our reputation as an industry leader in safety.

- **Component B – Compliance with Ontario Regulation 22/04 - Distributor Target Met**

The Ontario Energy Board requires all distributors to be in compliance with Ontario Regulation 22/04, which outlines electrical safety requirements for the design, construction, and maintenance of electrical distribution systems.

Section 13 of Ontario Regulation 22/04 mandates that all distributors engage an auditor on an annual basis to review the distributor's compliance with sections 4, 5, 6, 7 and 8 of the above regulation and provide a report of the findings. Audit, Declaration of Compliance, Due Diligence Inspections, Public Safety Concerns and Compliance Investigations make up a level of compliance with Ontario Reg 22/04 component of the score card. Each section is evaluated, and the auditor provides findings in terms of compliant (C), non-compliance (NC), needs improvement (NI) and not applicable (NA).

SYNERGY NORTH has fully met the performance target level of compliance with Ontario Regulation 22/04 attaining a complete 'C'. SYNERGY NORTH continues to strive to maintain full compliancy with the Ontario Regulation 22/04. This is consistent over the 2018 to 2022 reporting period as issued on the scorecard by the Electrical Safety Authority.

SYNERGY NORTH is committed to creating and maintaining a corporate culture where health and safety is the company's top priority. SYNERGY NORTH has continued to enhance communication with employees, providing additional opportunities for staff to participate on committees and revamping communication tools. SYNERGY NORTH has re-branded its internal safety program '*My Safety Matters*' comprising ten guiding principles which emphasize the importance of safety at work and home. As a merged company SYNERGY NORTH has continued this program under the new company name for both rate districts.

SYNERGY NORTH's employees overwhelmingly acknowledge that safety is the company's number one priority.

- **Component C – Serious Electrical Incident Index – Distributor Target Not Met**

The Serious Electrical Incident Index component of the public safety measure is intended to address the consequential impact of improving public electrical safety on the distribution networks over time. It measures the number and rate of serious electrical incidents occurring on a distributor's assets and is normalized per 10, 100 or 1,000 km of line. Both the number of public incidents and the rate per km of line are shown on the scorecard.

For the 2022 reporting period SYNERGY NORTH reported one serious electrical incident. The incident was the result of a contractor losing positive control of their lift equipment which led to contact with an energized primary line. There were no injuries, and the incident was reported to the ESA and the Ministry of Labour who investigated.

SYNERGY NORTH treats all safety incidents seriously, and safety is SYNERGY NORTH's top priority for both employees and the public. The company regularly promotes powerline safety through social media, its website, on-bill messaging, and community engagement. SYNERGY NORTH will continue to promote its "High Line Hazard" and "Call before you Dig" programs to ensure awareness and promote knowledge of safety compliance.

System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted – Distributor Target Met**

For this measure, the OEB establishes baseline targets based on the average of the distributor's performance for the period 2015 – 2019 (the baseline period is updated every 5 years). SYNERGY NORTH has achieved SAIDI metrics below the "Distributor Target"; 2022's result of 1.40 is below the OEB's Distributor Target of 1.77. This result has slightly declined since 2021's achieved value of 1.28. SYNERGY NORTH experienced 30 loss of supply interruptions in 2022 in the Kenora service district compared to no loss of supply interruptions experienced in either service district in 2021, which is the primary driver of the decline in 2022. SYNERGY NORTH continues to view reliability of electricity service as a high priority.

- **Average Number of Times that Power to a Customer is Interrupted - Distributor Target Met**

For this measure, the OEB establishes baseline targets calculated as the average of the distributor's performance for the period 2015 – 2019 (the baseline period is updated every 5 years). SYNERGY NORTH has achieved SAIFI metrics below the distributor target; 2022's result of 2.26 is below the OEB's "Distributor Target" of 2.49. This result has slightly declined since 2021's value of 1.96, this is mainly due to the increase in loss of supply events. SYNERGY NORTH continues to view reliability of electricity service as a high priority. SYNERGY NORTH will continue to make progress on its reliability to serve its customers.

Asset Management

- **Distribution System Plan Implementation Progress - Industry Target Not Established**

The Distribution System Plan (“DSP”) outlines forecasted capital expenditures over a five-year period required to maintain and expand SYNERGY NORTH’s electricity system to service current and future customers.

The OEB requires that all Distribution System Plans optimize investments and reflect regional and smart grid considerations; services present and future customers; places a greater focus on delivering value for money; aligns the interests of the distributor with those of customers; and supports the achievement of public policy objectives.

SYNERGY NORTH’s DSP for its Thunder Bay district was completed in 2016 and approved by the Ontario Energy Board during its 2017 Cost of Service Application (EB-2016-0105) therefore 2021 was the final year of SYNERGY NORTH’s DSP.

SYNERGY NORTH is currently working on its 2023 Cost of Service Application (EB-2023-0052) and will have a new DSP in place for 2024 which will include both Kenora and Thunder Bay zones.

Cost Control

- **Efficiency Assessment**

Total costs for all electricity distribution companies are evaluated based on econometric modeling by the Pacific Economics Group LLC (“PEG”) on behalf of the Ontario Energy Board to produce an efficiency ranking. A “predicted cost” is calculated by the model and the magnitude of the difference between distributor’s actual and predicted costs governs the assignment of a distributor into one of five groups.

2022 results were released in July 2023, and as the third reporting year as a merged utility with merged statistics and financial OEB reporting data; SYNERGY NORTH’S Thunder Bay district was placed in Group 3, which is defined as having actual costs in excess of +/- 10% of predicted costs and received a stretch factor of 0.30%. The Kenora district remains in Group 5, as Kenora’s rate applications are filed under the Annual Incentive Rate-setting Index method, which has a set stretch factor of 0.60% annually.

As per the OEB Consultant’s PEG formula, SYNERGY NORTH’s increase in Operating Maintenance and Administrative Costs was 19.41% and the increase in Capital Costs was 11.66% over 2021. Total Cost (Operating Maintenance and Administrative Costs + Capital Costs) has increase by 15.09%. The Total Cost input variables are entered into an industry wide calculation to output benchmarking results. Actual cost over predicted cost is averaged over the last 3 years results to receive an assignment into one of the five groupings.

Group 3 is considered industry average efficiency ranking. In 2022, 19 of the 54 (in 2021, 23 out of the 60) reported electricity distribution companies fell into this grouping with SYNERGY NORTH. In other words, SYNERGY NORTH’s costs are considered average the original prediction cost range for distributors in the Province of Ontario although merged SYNERGY NORTH is remaining consistent within its board approved capital expenditures. SYNERGY NORTH continues to diligently manage expenditures to ensure efficiencies will be achieved such that the best group ranking will be achieved.

- **Total Cost per Customer**

An evaluation by the Pacific Economics Group LLC (“PEG”) on behalf of the Ontario Energy Board produces a cost per customer metric. This measure is the sum of total OEB Consultant’s PEG model calculated capital and operating costs divided by the total number of customers that SYNERGY NORTH services.

Total costs include annual operating and capital costs. Operating costs are the costs associated with the maintenance, operation, billing and collection, and administrative and general expense of SYNERGY NORTH’s distribution assets. Capital costs include enhancements, betterments and replacement of capital assets that are required each year to maintain a safe and reliable network. Capital costs fluctuate depending on the need to replace existing capital assets and additional infrastructure to support growth and develop.

The change in costs is consistent with ongoing operating activities to replace, refurbish and modernize the utility's aged distribution system and to connect new customers. SYNERGY NORTH's cost performance result for 2022 is \$755 per customer, which represents a 16% increase from \$651 per customer in 2021. (\$641 per customer in 2020). The impacts of the rise in costs during and post COVID-19 continues to affect this result.

SYNERGY NORTH is dedicated to searching for cost efficiencies to operate and maintain a reliable distribution system with the objective of minimizing impacts to customers.

- **Total Cost per km of Line**

An evaluation by the Pacific Economics Group LLC ("PEG") on behalf of the Ontario Energy Board produces a cost per kilometer of line metric. This measure sums the total capital and operating costs and divides the cost figure by the kilometers of line that SYNERGY NORTH operates to serve our customers.

Total costs include annual operating and capital costs. Operating costs are the costs associated with the maintenance, operation, billing and collection, and administrative and general expense of SYNERGY NORTH's distribution assets. Capital costs include enhancements, betterments and replacement of capital assets that are required each year to maintain a safe and reliable network. Capital costs fluctuate depending on the need to replace existing capital assets and additional infrastructure to support growth and develop.

SYNERGY NORTH's total cost per km of line in 2022 was \$33,928 compared to \$29,384 in 2021. (\$28,793 in 2020).

SYNERGY NORTH is dedicated to searching for cost efficiencies to operate and maintain a reliable distribution system with the objective of minimizing the impacts to customers.

Connection of Renewable Generation

- **New Micro-embedded Generation Facilities Connected on Time - Target Exceeded**

SYNERGY NORTH is required to connect small generation facilities that produce less than 10kW of power to the distribution system within five business days of the applicant informing the distributor that it has satisfied all applicable service.

In 2022, SYNERGY NORTH connected 100% of micro-embedded generation facilities within the 5-day time frame and will continue to strive to maintain this level of performance for upcoming micro-embedded generation projects.

Financial Ratios

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**

The current ratio is a common way of measuring the financial health of a company. Current Ratio measures whether a firm has enough resources (assets) on hand to pay its debts over the next 12 months. A current ratio that is greater than 1 means good short-term financial strength, as it indicates that short term debts and financial obligations can be met, and that the organization is in good financial health.

At a Current Ratio of 1.61 to 1, SYNERGY NORTH maintains a strong liquidity ratio. This ratio has been relatively consistent over the period 2018 – 2022.

SYNERGY NORTH's target is to maintain a current ratio of greater than 1.1 to 1.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**

The OEB uses a deemed capital structure of 60% debt, 40% equity for electricity distributors when establishing rates. This deemed capital mix is equal to a debt-to-equity ratio of 1.5 to 1 (60/40).

SYNERGY NORTH's debt to equity ratio of 0.81 to 1 is less than 1.5 to 1 and indicates that the organization is less leveraged than the deemed capital structure.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**

The profitability measure is defined as the approved return on equity that is embedded in SYNERGY NORTH's distribution rates. This measure assesses whether distributors are earning a fair return on their investment. SYNERGY NORTH's current combined approved return on equity is 8.85%, which is an OEB calculation merging the Regulatory Return on Equity from the 2017 Cost of Service Rate Application for Thunder Bay district, and the 2011 Cost of Service Rate Application for the Kenora district.

- **Profitability: Regulatory Return on Equity – Achieved**

In 2022 SYNERGY NORTH achieved a merged entity return on equity value of 3.82% which is considered under-earning as it is not within the 300 basis points of the current approved return on equity of 8.85%. SYNERGY NORTH undertook a significant forestry plan resulting in \$1.35 million dollars increases maintenance costs. Increased amortization expense also impacted the achieved ROE, as a result of increased capital asset additions over the past 5 years.

Note to Readers of 2022 Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management's best judgement on the reporting date of the performance scorecard and could be markedly different in the future.