



UNDERSTANDING GUARANTEED INVESTMENT FUNDS



WHAT IS A GUARANTEED INVESTMENT FUND?

Guaranteed Investment Funds (segregated funds)

Also known as segregated funds are called Guaranteed Investment Funds (GIF). GIFs provide valuable benefits other investments cannot, including maturity and death benefit guarantees, estate and probate bypass and potential creditor protection.



Fees

The following fees are outlined in the information folder:



Management expense ratio (MER)

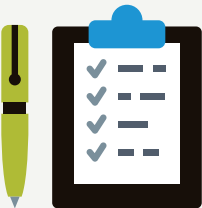
The cost of managing and operating each fund, which is deducted from the fund before the unit value is calculated.

Insurance fee

In addition to the MER, the insurance fee is calculated and deducted from the market value of the contract. This fee pays for the maturity and death benefit guarantees.

Other fees

There may be a fee charged for withdrawals, depending on the purchase fee option chosen. There may also be fees for excessive trading.



Contract

The agreement between the contract owner and the Insurance company. It consists of the application, fund facts, contract provisions, any endorsements or amendments and the confirmation notice.

WHO IS PART OF A GIF CONTRACT?



Contract owner

The person who owns the GIF contract.



Annuitant

The person on whose life the maturity and death benefits are paid.

Beneficiary

The person who will receive the proceeds when the annuitant dies. This can be a spouse, partner, child, relative or favourite charity. A contingent beneficiary can be named to receive the proceeds if the beneficiary dies before the annuitant.



Tip: Consider naming a person as your beneficiary, rather than your estate or leaving it blank. See "Estate and Probate bypass" to find out why.



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We are licenced to sell different types of insurance, such as segregated funds, life insurance and group insurance. We can help determine which investment products are best suited to you, given your personal circumstances.

GIF FEATURES AND BENEFITS

Death benefit

The amount of money payable by the Insurance company to the beneficiary, upon death of the annuitant. The beneficiary will receive the greater of the current market value or the death benefit guarantee.

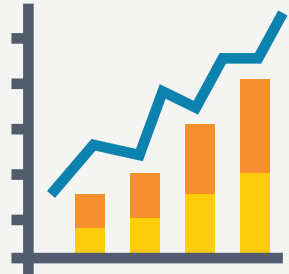


Death benefit guarantee

The percentage of deposits, reduced proportionately by withdrawals, the beneficiary is guaranteed to receive upon death of the annuitant. Choose a 75% or 100% guarantee, based on the level of capital protection desired.

Death benefit guarantee resets

If there is market growth in the investment, resets allow the contract owner to lock-in growth and increase ("reset") the guaranteed value available upon death of the annuitant.



Tip: Naming a beneficiary on the GIF contract ensures the proceeds are distributed according to the contract owner's wishes, without incurring additional legal, estate administration or probate fees



Estate and probate bypass

GIF contract proceeds are paid quickly and privately to the beneficiary.

GIF FEATURES AND BENEFITS

Potential creditor protection

Under certain circumstances, a personal GIF contract may be protected from creditors. This is a valuable feature for business owners.



Maturity benefit guarantee

The percentage of deposits, reduced proportionately by withdrawals, the contract owner is guaranteed to receive on the maturity date. Choose a 75% or 100% guarantee, based on the level of capital protection desired.

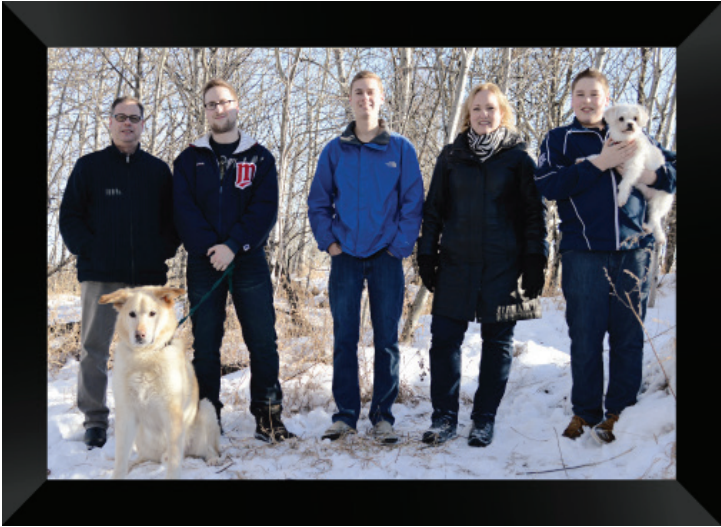
Maturity benefit guarantee resets

If there is market growth in the investment, resets allow the contract owner to lock-in that growth and increase ("reset") the guaranteed value available on the maturity date.



Maturity date

The date the GIF contract matures and the contract owner receives the greater of the current market value and the maturity benefit guarantee.



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