

REGISTERED PLAN

Investment Application

One focus, many solutions.



PLANNING



INVESTING



LENDING



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REGISTERED PLAN Investment Application

FOR OFFICE USE ONLY

- NEW CLIENT
- EXISTING CLIENT

REP. NUMBER

ACCOUNT NUMBER

Account Type

- RETIREMENT SAVINGS PLAN (RSP) SPOUSAL RSP
- RETIREMENT INCOME FUND (RIF) SPOUSAL RIF
- LIFE INCOME FUND (LIF) LOCKED-IN RETIREMENT ACCOUNT (LIRA)
- RESTRICTED LOCKED-IN SAVINGS PLAN (RLSP) RESTRICTED LIFE INCOME FUND (RLIF) LOCKED-IN RESTRICTED PLAN (LRSP)

(For Locked-in accounts attach the appropriate Provincial or Federal Addendum. Provisions contained in the Locked-in Addendum will take precedence over the Declaration of Trust.)

Annuitant Information

- MR. MRS. MISS MS. DR.

LAST NAME _____ FIRST NAME _____ MIDDLE NAME _____

ADDRESS _____

CITY _____ PROVINCE _____ POSTAL CODE _____

TELEPHONE: PRIMARY () _____ BUS. () _____ EMAIL _____

SOCIAL INSURANCE NUMBER DATE OF BIRTH

NAME OF EMPLOYER: (SCHOOL NAME/OTHER) _____ TYPE OF BUSINESS _____

ADDRESS _____

OCCUPATION: TEACHER EDUCATIONAL EMPLOYEE SCHOOL ADMINISTRATION OTHER _____

SCHOOL BOARD _____

AFFILIATIONS: OSSTF ETFO OECTA AEFO AEFO COLLEGE UNIVERSITY PRIVATE SCHOOL OPC CPCO OTHER

WORKING STATUS: EMPLOYED FULL-TIIME EMPLOYED PART-TIME RETIRED OTHER _____

PLEASE COMPLETE IF APPLICABLE: CONTRIBUTING SPOUSE

LAST NAME _____ FIRST NAME _____ MIDDLE NAME _____

ADDRESS _____

CITY _____ PROVINCE _____ POSTAL CODE _____

SOCIAL INSURANCE NUMBER DATE OF BIRTH



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Know Your Client Information – Mandatory

Applicable securities laws require us to determine the general investment needs and objectives of potential purchasers before executing purchase orders. This information will be held in strict confidence:

Investment Knowledge

- SOPHISTICATED
- GOOD
- FAIR
- POOR

Investment Objective*

- INCOME _____ %
- MEDIUM TERM (*Balanced*) _____ %
- LONG TERM GROWTH _____ %
- SPECULATIVE _____ %

(Values above must add up to 100%)

Investment Risk Tolerance*

- HIGH
- MEDIUM
- LOW

Marital Status

- MARRIED
- SINGLE
- OTHER

Investment Time Horizon*

- 1-2 YEARS
- 3-5 YEARS
- 6-9 YEARS
- OVER 10 YEARS

Gross Annual Income

\$ _____

Net Worth*

LIQUID ASSETS \$ _____
 FIXED ASSETS + \$ _____
 LIABILITIES - \$ _____
 NET WORTH = \$ _____

DID YOU BORROW MONEY FOR INVESTING IN THIS ACCOUNT? YES NO

SPOUSE'S NAME: _____ SPOUSE'S OCCUPATION: _____

NUMBER OF DEPENDANTS: _____ (* Please refer to Appendix A for more information.)

Investment Instructions

FUND CODE	FUND NAME	AMOUNT \$ OR %	PRE-AUTHORIZED CONTRIBUTION AMOUNT \$ OR %	SYSTEMATIC WITHDRAWAL AMOUNT \$ OR %
TOTALS				

Pre-Authorized Contribution Plan (PAC)

FREQUENCY: WEEKLY BI-WEEKLY SEMI-MONTHLY MONTHLY START DATE:

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

PRE-AUTHORIZED CONTRIBUTION AMOUNT \$ _____

Where my application is for Pre-Authorized Contributions, I hereby authorize and request Educators Financial Group to draw on my account, whether the account continues to be maintained at the named branch or is transferred to another branch of the financial institution.

A VOID CHEQUE IS REQUIRED TO ESTABLISH A PRE-AUTHORIZED CONTRIBUTION PLAN

For the terms and conditions related to your PAC please refer to the attached Pre-Authorized Chequing Agreement.

 ACCOUNT HOLDER'S SIGNATURE DATE

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

 JOINT ACCOUNT HOLDER'S SIGNATURE DATE (IF APPLICABLE)

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---



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Systematic Withdrawal Plan (SWP)

FREQUENCY: MONTHLY QUARTERLY SEMI-ANNUALLY ANNUALLY START DATE:

Y	Y	Y	Y	M	M		
---	---	---	---	---	---	--	--

SYSTEMATIC WITHDRAWAL AMOUNT \$ _____

WITHDRAWALS TO BE SENT TO: MAIL A CHEQUE TO HOME ADDRESS DEPOSIT TO BANK ACCOUNT (**VOID CHEQUE REQUIRED**)

Set-up and changes are required by the 1st of each month.

For RIFs and LIFs my annual payment may not be less than the minimum amount, and **for LIFs** my annual payment may not exceed the maximum amount permitted by law. A younger spouse's age may be used to calculate the minimum annual payout for a RIF or a LIF. It cannot be used in the calculation of the maximum payout on a LIF.

I SELECT:

- MINIMUM AMOUNT MAXIMUM AMOUNT (FOR LIF ONLY)
 OTHER: \$ _____

MINIMUM CALCULATION IS TO BE BASED ON:

- MY AGE
 THE AGE OF MY YOUNGER SPOUSE

SPOUSE'S DATE OF BIRTH

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

Beneficiary Designation

Note to Annuitants Domiciled in Quebec: Beneficiary Designations are not accepted in Quebec.

I hereby revoke all previous beneficiary designations made in respect of the Plan/Fund, including any such designation made in my will, and I designate the person identified below as the Plan/Fund beneficiary entitled to receive all amounts payable under the Plan/Fund upon my death.

This beneficiary designation forms part of the Application and Declaration of Trust for the Plan/Fund and will apply to all property held under the Plan/Fund on my death.

In certain provinces, a beneficiary designation, or any revocation thereof, can only be made by will. In some cases, the rights of my spouse or common-law partner as may be defined under applicable provincial law may override such beneficiary designation. Also, a beneficiary designation will not automatically change as a result of a future relationship or relationship breakdown; it may be necessary to complete a new designation for this purpose.

I am solely responsible for ensuring that this beneficiary designation is valid under the laws of Canada, its provinces or territories and that this beneficiary designation is changed when appropriate. If I am domiciled in Canada when I die, I acknowledge that this beneficiary designation will be governed under the laws of the province or territory of my domicile at the time of my death. If I am not domiciled in Canada at the time of my death, then the laws of the province or territory where I was domiciled at the time of execution of this form will apply. Otherwise, the laws of Ontario will apply.

I declare that any property passing to a beneficiary from the Plan/Fund, the value of such property, and any and all income or capital gain or other benefit arising from such property, shall remain the exclusive property of a beneficiary and shall be excluded from a beneficiary's net family property or community of property or the value of a beneficiary's assets for the purposes of division of property on a beneficiary's separation, divorce, annulment or death as contemplated by any statute dealing with matrimonial or family property in any jurisdiction to the extent allowed by law.

DATE OF BIRTH

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

SOCIAL INSURANCE NUMBER

M	A	N	D	A	T	O	R	I	Y
---	---	---	---	---	---	---	---	---	---

LAST NAME _____

FIRST NAME _____

RELATIONSHIP TO ANNUITANT _____

ADDRESS _____

Successor Annuitant Election

Successor Annuitant Elections are not accepted in Quebec.

Where permitted by law, I hereby elect that my spouse or common-law partner become the Annuitant under the Fund in the event of my death before termination of the Fund, if he or she survives me. I reserve the right to revoke this election as permitted by applicable law. I understand that by completing the "Successor Annuitant Election" that the beneficiary designation above will only be effective if my spouse or common-law partner predeceases me or is not my spouse on the date of my death. If my successor annuitant survives me, I acknowledge that I cannot designate a beneficiary under the plan.

DATE OF BIRTH

Y	Y	Y	Y	M	M	D	D
---	---	---	---	---	---	---	---

SOCIAL INSURANCE NUMBER

M	A	N	D	A	T	O	R	I	Y
---	---	---	---	---	---	---	---	---	---

LAST NAME _____

FIRST NAME _____

RELATIONSHIP TO ANNUITANT _____

ADDRESS _____



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Use of Accounts by a Third Party

- A) WILL ANOTHER PERSON(S) HAVE A FINANCIAL INTEREST IN THIS ACCOUNT? YES NO
- B) WILL ANY PERSON OTHER THAN THE ACCOUNT HOLDER OR AUTHORIZED REPRESENTATIVE OF THE ACCOUNT HOLDER DIRECT THE ACTIVITY IN THIS ACCOUNT? YES NO

(If you answered "yes" to either of these questions, please provide the following information about that third party.)

NAME OF THE THIRD PARTY

ADDRESS OF THE THIRD PARTY

DATE OF BIRTH OF THE THIRD PARTY (if he or she is an individual)

THE RELATIONSHIP THAT EXISTS BETWEEN THE ACCOUNT HOLDER AND THE THIRD PARTY

THE PRINCIPAL BUSINESS OR THE OCCUPATION OF THE THIRD PARTY

Authorization

I am applying to open an Educators Financial Group Inc. Self-Directed Retirement Savings Plan (*the Plan*) or an Educators Financial Group Self-Directed Retirement Income Fund (*the Fund*) and request that the Royal Trust Company ("*Royal Trust*") apply for registration of the Plan or Fund as a registered retirement savings plan/registered retirement income fund under the Income Tax Act (Canada) and any applicable provincial income tax legislation.

I acknowledge and agree to be bound by the terms and conditions of this Plan or Fund as set out in the application, the Declaration of Trust, and any relevant addendum to the Plan or Fund.

It is my wish that all documents relating to this Plan or Fund have been drawn up in the English language only. C'est mon désir que tout document de rapportant au régime soient rédigés en anglais seulement.

By signing here I verify that all the information provided is true, and you further confirm that you have read, understand and acknowledge receipt of Appendix A, the Privacy Protection Notice, the Pre-Authorized Chequing Agreement, the Client Complaint Information Form, the Complaint Handling Procedures, the Relationship Disclosure Notice and the Risk Disclosure Document.

DO YOU WANT THE AVAILABILITY TO VIEW YOUR ACCOUNT ONLINE? YES NO

DO YOU WANT TO RECEIVE ELECTRONIC STATEMENTS TO YOUR EMAIL (vs. paper statements)? YES NO

DO YOU WANT TO RECEIVE EDUCATORS ENEWS (exclusive offers/financial information to your email)? YES NO

If you opted in for electronic statements and/or Educators eNews, please remember to include your email address within the ANNUITANT INFORMATION section.

ANNUITANT SIGNATURE

DATE

SALES REPRESENTATIVE'S SIGNATURE

DATE

COMPLIANCE OFFICER'S APPROVAL

DATE OF APPROVAL

(Accepted by Educators Financial Group Inc. as Agent for The Royal Trust Company)

EDUCATORS FINANCIAL GROUP INC.

SELF DIRECTED RETIREMENT SAVINGS PLAN DECLARATION OF TRUST

1. **Definitions.** Whenever used in this declaration of trust or on the Application, any capitalized terms shall have the meanings given to them below:

"Agent" means **Educators Financial Group Inc.** and its successors and assigns;

"Annuitant" means the individual who has executed the application to be plan owner for the Plan within the meaning Applicable Laws give to that word;

"Applicable Laws" means the Tax Act, relevant pension legislation and such other laws of Canada and of the provinces and territories applicable hereto;

"Application" means the Annuitant's application to the Agent for the Plan;

"Contribution" means a contribution of cash or any Qualified Investment under the Plan;

"Estate Documents" means proof of the Annuitant's death and such other documents including Letters Probate of the Annuitant's Will as may be required by the Trustee in its sole discretion in connection with the transmission of the Property on the Annuitant's death;

"Estate Representative" means an executor, an administrator, an administrator with the will annexed, a liquidator, or an estate trustee with a will or without a will, whether one or more than one is so appointed;

"Expenses" means all (i) costs, (ii) charges, (iii) commissions, (iv) investment management fees, brokerage fees and other fees, (v) legal expenses and (vi) out-of-pocket expenses incurred from time to time in relation to the Plan;

"Former Spouse" means the individual who is considered by Applicable Laws to be the Annuitant's former spouse or common-law partner;

"Maturity Date" means the date the Annuitant selects for the start of a Retirement Income, which must not be after the end of the year in which the Annuitant attains the maximum age for the commencement of a retirement income as prescribed by Applicable Laws from time to time;

"Plan" means the retirement savings plan the Annuitant and the Trustee have opened in the Annuitant's name pursuant to his or her Application;

"Plan Proceeds" means the Property, less any Expenses and Taxes which may be required under Applicable Laws;

"Prohibited Investment" means Property (other than prescribed excluded Property as that term is defined in the Tax Act) that is:

- (a) a debt of the Annuitant;
- (b) a share of the capital stock of, an interest in or a debt of:
 - (i) a corporation, partnership or trust in which the Annuitant has a significant interest;
 - (ii) a person or partnership that does not deal at arm's length with the Annuitant or with a person or partnership described in subparagraph (i);
- (c) an interest in, or right to acquire, a share, interest or debt described in paragraph (a) or (b); or
- (d) prescribed property (as that term is defined in the Tax Act);

"Property" means any property, including the income thereon the proceeds thereof and cash, held under the Plan from time to time;

"Qualified Investment" means any investment, which is a qualified investment for a registered retirement savings plan according to Applicable Laws;

"Retirement Income" means a retirement income within the meaning of Applicable Laws;

"Spouse" means the individual who is considered by Applicable Laws to be the Annuitant's spouse or common-law partner;

"Tax Act" means the Income Tax Act (Canada);

"Taxes" means any and all applicable taxes and assessments, including any penalties and interest, as may be required under Applicable Laws;

and

"Trustee" means The Royal Trust Company in its capacity as trustee and issuer of the Plan, and its successors and assigns.

2. **Declaration of Trust.** The Trustee agrees to act as trustee of a Retirement Savings Plan for the Annuitant named in the Application and to administer the Property according to this Declaration of Trust.

3. **Appointment of Agent.** The Trustee has appointed **Educators Financial Group Inc.** (the "Agent") as its agent to perform certain duties relating to the operation of the Plan. The Trustee acknowledges and confirms that ultimate responsibility for the administration of the Plan remains with the Trustee.

4. **Registration.** The Trustee will apply for registration of the Plan as a retirement savings plan pursuant to the Applicable Laws.

5. **Contributions.** The Annuitant or the Annuitant's Spouse may make Contributions to the Plan in such amounts as are permitted under Applicable Laws, in cash or such other property as may be permitted in the sole discretion of the Trustee. It shall be the sole responsibility of the Annuitant or the Annuitant's Spouse, as the case may be, to ensure that the amount of Contributions made to the Plan are within the limits permitted under Applicable Laws.

6. **Refund of Contributions.** The Trustee shall on application by the Annuitant or, where applicable, the Annuitant's Spouse, in a form satisfactory to the Trustee, pay an amount to the taxpayer in order to reduce the amount of tax payable under Part X.1 of the Tax Act and other Applicable Laws.

7. **Tax Information.** The Trustee shall provide the Annuitant and, where applicable, the Annuitant's Spouse, with appropriate information slips for income tax purposes for all Contributions made to the Plan and such other information regarding the Plan as may be required under Applicable Laws.

8. **Delegation by Trustee.** The Annuitant expressly authorizes the Trustee to delegate to the Agent the performance of the following duties of the Trustee under the Plan:

- (a) receiving Contributions to the Plan from the Annuitant and/or the Annuitant's Spouse, as the case may be;
- (b) receiving transfers of property to the Plan;
- (c) investing and reinvesting the Property as directed by the Annuitant;
- (d) registering and holding the Property in the Trustee's name, the Agent's name, in the name of their respective nominees or in bearer form as determined by the Agent from time to time;
- (e) maintaining the records of the Plan, including designation of beneficiaries, where applicable;

- (f) providing to the Annuitant statements of account for the Plan at least annually;
- (g) preparing all government filings and forms;
- (h) making payments out of the Plan pursuant to the provisions hereof; and
- (i) such other duties and obligations of the Trustee under the Plan as the Trustee in its sole discretion may from time to time determine.

The Annuitant acknowledges that, to the extent the Trustee delegates any such duties, the Trustee shall thereby be discharged from performing such duties.

9. **Investment of the Property.** The Property shall be invested and reinvested on the directions of the Annuitant without being limited to investments authorized by law for trustees. The Trustee, in its sole discretion, may require the Annuitant to provide such documentation in respect of any investment or proposed investment, as the Trustee deems necessary in the circumstances. The Trustee reserves the right to decline to make any particular investment if the proposed investment and related documentation do not comply with the Trustee's requirements at that time.

10. **Segregated Funds.** Segregated fund Property will be held in nominee name. The Annuitant agrees to designate the Trustee as the beneficiary under any segregated fund held under the Plan. Upon the death of the Annuitant, the proceeds of the segregated funds paid shall form part of the Property to be dealt with according to the terms of this Declaration of Trust. For greater certainty, upon the death of the Annuitant, the Trustee shall hold the segregated funds as Plan Proceeds for any beneficiary designated by the Annuitant under the Plan, in accordance with this Declaration of Trust.

11. **Choice of Investments for the Plan.** The Annuitant shall be responsible for selecting the investments of the Plan, ensuring that an investment is and continues to be a Qualified Investment, and determining whether any such investment is not and continues not to be a Prohibited Investment. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Plan holds a non Qualified Investment. The Annuitant shall have the right to appoint the Agent as his or her agent for the purpose of giving investment directions as provided in this paragraph 11.

12. **Uninvested Cash.** Uninvested cash will be placed on deposit with the Trustee or an affiliate of the Trustee. The interest on such cash balances payable to the Plan will be determined by the Agent from time to time in their sole discretion with no obligation to pay a minimum amount or rate. The Trustee will pay interest to the Agent for distribution to the Plan and the Agent shall credit the Plan with appropriate interest. The Trustee shall have no liability for such payment of interest once it is paid to the Agent for distribution.

13. **Right of Offset.** The Trustee and the Agent shall have no right of offset with respect to the Property in connection with any obligation or debt owed by the Annuitant to the Trustee or the Agent, other than the Expenses payable by the terms of this Declaration of Trust.

14. **Debit Balances.** If the Plan has a cash deficit, the Annuitant authorizes the Trustee or the Agent, to determine which Property to select and to sell such Property to cover the cash deficit within the Plan.

15. **Withdrawals.** Before the purchase of a Retirement Income, the Annuitant may, upon 60 days' notice to the Agent, or upon such shorter period of notice as the Agent may in its sole discretion permit, request that the Agent liquidate part or all of the Property and pay to the Annuitant an amount from the Property, not exceeding the value of the Plan immediately before the time of payment, subject to the deduction of all compensation, Expenses and Taxes as provided in paragraph 26.

16. **Retirement Income.** The Annuitant shall, upon at least 90 days' notice to the Agent on behalf of the Trustee, or upon such shorter period of notice as the Trustee may in its sole discretion permit, specify the form of Retirement Income to be provided under Applicable Laws. Upon receiving such instructions, the Agent shall purchase such Retirement Income for the Annuitant and, where the Annuitant so elects in writing, for the Annuitant's Spouse after the death of the Annuitant (whereupon references to the Annuitant herein shall include the Annuitant's Spouse). The Plan shall mature on the Maturity Date. Except as otherwise permitted under Applicable Laws from time to time, any annuity purchased as a Retirement Income by the Annuitant must:

- (a) be payable in equal annual or more frequent periodic payments during its term until such time as there is a payment in full or partial commutation of the Retirement Income and, where such commutation is partial, equal, annual or more frequent periodic payments thereafter;
- (b) not be capable of assignment in whole or in part;
- (c) require the commutation of each annuity payable under the arrangement that would otherwise become payable to a person other than the Annuitant or the Annuitant's Spouse under that arrangement;
- (d) if the Annuitant selects an annuity with a guaranteed term, the term cannot exceed a term of years equal to 90 minus the Annuitant's age in whole years at the Maturity Date or if the Annuitant so elects and the Annuitant's Spouse is younger than the Annuitant, the age in whole years of the Annuitant's Spouse at the Maturity Date; and
- (e) not provide for the aggregate of the periodic payments made in a year after the death of the first Annuitant to exceed the aggregate of the payments made in a year before that Annuitant's death.

17. **Annuitant's Failure To Give Instructions Regarding Maturity Date.** If the Annuitant fails to instruct the Agent in writing at least 90 days (or within such shorter period as the Trustee may permit in its sole discretion) prior to December 31 of the year in which the Annuitant attains the maximum age for the commencement of a retirement income under the Applicable Laws with respect to the form of Retirement Income to be provided, the Trustee and Agent may in their sole discretion and on reasonable notice to the Annuitant either:

transfer the Property to a **Educators Financial Group Inc.**

- (a) Retirement Income Fund ("RIF") opened and registered for such purpose in the name of the Annuitant. Upon the transfer of all such Property to the RIF, the Annuitant shall be:

- (i) deemed to have elected to use his or her age (and not the age of the Annuitant's Spouse, if any) to determine the minimum amount under Applicable Laws;
- (ii) deemed to have not elected to designate his or her Spouse to become the annuitant on the Annuitant's death and to have not designated any beneficiary upon death of the Annuitant; and

- (iii) bound by all the terms and conditions of the RIF as stated in the documents pertaining thereto as if the Annuitant had signed the appropriate documents to effect such transfer, and had made or refrained from making the elections and designations as referred to herein.

or

- (b) on or after December 1 but before December 31 of that year, the Agent shall liquidate the Property and close the Plan and pay the Plan Proceeds to the Annuitant.

18. Designation of Beneficiary. Subject to Applicable Laws, the Annuitant may designate a beneficiary to receive the Plan Proceeds on the Annuitant's death prior to the purchase of a Retirement Income. A beneficiary designation may only be made, changed or revoked under the Plan by the Annuitant in a format required by the Agent for this purpose. Such designation must adequately identify the Plan and be delivered to the Agent prior to any payment by the Agent. The Annuitant acknowledges that it is his or her sole responsibility to ensure the designation or revocation is valid under the laws of Canada, its provinces or territories.

19. Death of Annuitant. If the Annuitant dies before the purchase of a Retirement Income, upon the receipt of Estate Documents by the Agent, which are satisfactory to the Trustee:

- (a) if the Annuitant has a designated beneficiary, the Plan Proceeds will be paid or transferred to the designated beneficiary, subject to the Applicable Laws. The Trustee and the Agent will be fully discharged by such payment or transfer, even though any beneficiary designation made by the Annuitant may be invalid as a testamentary instrument; and
- (b) if the Annuitant's designated beneficiary has died before the Annuitant or if the Annuitant has not designated a beneficiary, the Trustee will pay the Plan Proceeds to the Annuitant's estate.

20. Release of Information. The Trustee and the Agent each are authorized to release any information about the Plan and the Plan Proceeds, after the Annuitant's death, to either the Annuitant's Estate Representative or the designated beneficiary, or both, as the Trustee deems advisable.

21. Payment into Court. If there is a dispute about:

- (a) a payout from the Plan or equalization of Property or other dispute arising from a breakdown of the Annuitant's marriage or common law partnership;
- (b) the validity or enforceability of any legal demand or claim against the Property; or
- (c) the authority of a person or personal representative to apply for and accept receipt of the Plan Proceeds on death of the Annuitant;

the Trustee and the Agent are entitled to either apply to the court for directions or pay the Plan Proceeds into court and, in either case, fully recover any legal costs it incurs in this regard as Expenses from the Plan.

22. Account. The Agent shall maintain an account for the Annuitant which will record particulars of all Contributions, investments, and transactions in the Plan, and shall mail to the Annuitant, at least annually, a statement of account.

23. Limitation of Liability. The Trustee shall not be liable for any loss suffered by the Plan, by the Annuitant or by any beneficiary under the Plan as a result of the purchase, sale or retention of any investment including any loss resulting from the Trustee acting on the direction of the agent appointed by the Annuitant to provide investment direction.

24. Indemnity. The Annuitant agrees to indemnify the Trustee for all compensation, Expenses and Taxes, other than those Taxes for which the Trustee is liable and that cannot be charged against or deducted from the Property in accordance with the Tax Act, incurred or owing in connection with the Plan to the extent that such compensation, Expenses and Taxes cannot be paid out of the Property.

25. Self-Dealing. The Trustee's services are not exclusive and, subject to the limitations otherwise provided in this Declaration of Trust on the powers of the Trustee, the Trustee may, for any purpose, and is hereby expressly authorized from time to time in its sole discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, with which it may be directly or indirectly interested or affiliated with, whether on its own account or on the account of another (in a fiduciary capacity or otherwise), and to profit therefrom, without being liable to account therefore and without being in breach of this Declaration of Trust.

26. Compensation, Expenses and Taxes. The Trustee and Agent will be entitled to such reasonable fees as each may establish from time to time for services rendered in connection with the Plan. All such fees will, unless first paid directly to the Agent, be charged against and deducted from the Property in such manner as the Agent determines.

All Expenses incurred shall be paid from the Plan, including Expenses with respect to the execution of third party demands or claims against the Plan.

All Taxes, other than those Taxes for which the Trustee is liable and that cannot be charged against or deducted from the Property in accordance with the Tax Act, will be charged against and deducted from the Property in such manner as the Agent determines.

27. Sale of Property. The Trustee and Agent may sell Property, in their respective sole discretion, for the purposes of paying compensation, Expenses, and Taxes, other than those Taxes for which the Trustee is liable in accordance with the Tax Act and that cannot be charged against or deducted from the Property in accordance with the Tax Act.

28. Transfers into the Plan. Amounts may be transferred to the Plan from registered pension plans, other registered retirement savings plans and such other sources as may be permitted from time to time under Applicable Laws. In the case of such transfers, the Plan may be subject to additional terms and conditions, including the "locking-in" of amounts transferred from registered pension plans in order to complete the transfer in accordance with Applicable Laws. If there is any inconsistency between the terms and conditions of the Plan and any such additional terms and conditions which may apply as a result of transfer to the Plan of amounts from another source, the additional terms and conditions shall govern the manner in which funds so transferred are dealt with.

29. Transfers out of the Plan. Upon delivery to the Agent of a direction from the Annuitant in a form satisfactory to the Trustee, the Agent shall transfer, in the form and manner prescribed by Applicable Laws, to another registered retirement income fund, registered retirement savings plan or registered pension plan of the Annuitant, all or such portion of the Property as is specified in the direction, together with all necessary information for the continuance of the Plan to the trustee designated by the Annuitant in such direction except such transfer may be to a registered retirement savings plan or registered retirement income fund of the Annuitant's Spouse or Former Spouse, if under a decree, order or judgement of a competent tribunal or under a written separation agreement, relating to a division of property between the Annuitant and the Annuitant's Spouse or Former Spouse in settlement of rights arising out of, or on the

breakdown of their marriage or common law partnership.

Such transfer shall take effect in accordance with Applicable Laws after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed and forwarded to the Agent. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Plan, or the portion thereof, so transferred, as the case may be.

30. Changes to Declaration of Trust. The Trustee may change this Declaration of Trust periodically. The Annuitant will be notified on how to obtain an amended copy of the Declaration of Trust reflecting any such change and will be deemed to have accepted such changes. No change to this Declaration of Trust (including a change calling for the Trustee's resignation as trustee or the termination of the trust created by this Declaration of Trust) will be retroactive or result in the Plan not being acceptable as a registered retirement savings plan under Applicable Laws.

31. Replacement of Trustee.

- (a) The Trustee may resign by giving such written notice to the Agent as may be required from time to time under the terms of an agreement entered into between the Agent and the Trustee. The Annuitant will be given at least 30 days prior notice of such resignation. On the effective date of such resignation, the Trustee will be discharged from all further duties, responsibilities, and liabilities under this Declaration of Trust, except those incurred before the effective date.

The Trustee will transfer all Property, together with all information required to continue the administration of the Property as a registered retirement savings plan under the Applicable Laws, to a successor trustee.

- (b) The Trustee has agreed to resign upon it being provided with notice in writing by the Agent if the Trustee is satisfied that the successor nominated by the Agent will properly assume and fulfill the Trustee's duties and liabilities hereunder in respect of the administration of the Plan.

- (c) In either event, the Agent shall forthwith nominate a person to replace the Trustee and the resignation of the Trustee shall not take effect until its replacement has been so nominated by the Agent and appointed as successor by the Trustee and approved by Canada Revenue Agency or its successor. Failing the nomination of a replacement by the Agent within 30 days after receipt by it of a notice of resignation, the Trustee shall be entitled to appoint a person as its own replacement.

- (d) Upon any such appointment and resignation of the Trustee, the person so appointed as replacement trustee shall, without further act or formality, be and become the Trustee hereunder. Such replacement trustee shall, without any conveyance or transfer, be vested with the same power, rights, duties and responsibilities as the Trustee and with the assets of the Plan as if the replacement trustee had been the original Trustee. The Trustee shall execute and deliver to the replacement trustee all such conveyances, transfers and further assurances as may be necessary or advisable to give effect to the appointment of the replacement trustee.

- (e) Any person appointed as a replacement trustee shall be a corporation resident in Canada that is licensed or otherwise authorized under the laws of Canada or a province or territory to carry on in Canada the business of offering to the public its services as trustee.

Any trust company resulting from the merger or amalgamation of the Trustee with one or more trust companies and any trust company that succeeds to substantially all of the trust business of the Trustee shall thereupon become the successor to the Trustee without further act or formality. In all such cases, Canada Revenue Agency or its successor shall be notified.

32. Assignment by Agent. The Agent may assign its rights and obligations hereunder to any other corporation resident in Canada authorized to assume and discharge the obligations of the Agent under the Plan and under Applicable Laws.

33. Notice. Any notice given by the Annuitant to the Agent shall be sufficiently given if delivered electronically to the Agent upon the Annuitant's receipt of an acknowledgement and response to same or personally to the office of the Agent where the Plan is administered, or if mailed, postage prepaid and addressed to the Agent at such office, and shall be considered to have been given on the day that the notice is actually delivered or received by the Agent.

Any notice, statement, receipt or other communication given by the Trustee or the Agent to the Annuitant shall be sufficiently given if delivered electronically or personally to the Annuitant, or if mailed, postage prepaid and addressed to the Annuitant at the address shown on the Application or at the Annuitant's last address given to the Trustee or the Agent, and any such notice, statement, receipt or other communication shall be considered to have been given at the time of delivery to the Annuitant electronically or personally or, if mailed, on the fifth day after mailing to the Annuitant.

34. Date of Birth. The Annuitant's statement of his or her date of birth in the Annuitant's Application shall be deemed to be a certification as to the Annuitant's age and an undertaking to provide any further evidence of proof of age as may be required by the Agent.

35. Address of Annuitant. The Trustee shall be entitled to rely upon the Agent's records as to the current address of the Annuitant as establishing his or her residency and domicile for the operation of the Plan and its devolution on the death of the Annuitant, subject to any notice to the contrary respecting the Annuitant's domicile on death.

36. Heirs, Representatives and Assigns. The terms of this Declaration of Trust shall be binding upon the heirs, Estate Representatives, attorneys, committees, guardians of property, other legal and personal representatives, and assigns of the Annuitant and upon the respective successors and assigns of the Trustee and the Agent and their directors, officers, employees, and agents, as well as their respective estates, Estate Representatives, heirs, attorneys, committees, guardians of property, other legal and personal representatives, and assigns.

37. Language. The Annuitant has expressly requested that this Declaration of Trust and all related documents, including notices, be in the English language. Le rentier a expressément demandé que cette Déclaration de fiducie et tous documents y afférents, y compris tout avis, soient rédigés en langue anglaise. (Quebec only/Québec seulement)

38. Governing Law. This Declaration of Trust and the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

The Annuitant expressly agrees that any action arising out of or relating to this Declaration of Trust or the Plan shall be filed only in a court located in Canada and the Annuitant irrevocably consents and submits to the personal jurisdiction of such court for the purposes of litigating of any such action.

EDUCATORS FINANCIAL GROUP INC.

SELF DIRECTED RETIREMENT INCOME FUND DECLARATION OF TRUST

1. **Definitions.** Whenever used in this declaration of trust or on the Application, any capitalized terms shall have the meanings given to them below

"Agent" means **Educators Financial Group Inc.** and its successors and assigns;

"Annuitant" means the individual who has executed the Application to be the fund owner of the Fund within the meaning of Applicable Laws given to that word;

"Applicable Laws" means the Tax Act, relevant pension legislation and such other laws of Canada and of the provinces and territories applicable hereto;

"Application" means the Annuitant's application to the Agent for the Fund;

"Estate Documents" means proof of the Annuitant's death and such other documents including Letters Probate of the Annuitant's Will as may be required by the Trustee in its sole discretion in connection with the transmission of the Property on the Annuitant's death;

"Estate Representative" means an executor, an administrator, an administrator with the will annexed, a liquidator, or an estate trustee with a will or without a will, whether one or more than one is so appointed;

"Expenses" means all (i) costs, (ii) charges, (iii) commissions, (iv) investment management fees, brokerage fees and other fees, (v) legal expenses and (vi) out-of-pocket expenses incurred from time to time in relation to the Fund;

"Former Spouse" means the individual who is considered by Applicable Laws to be the Annuitant's former spouse or common-law partner;

"Fund" means the retirement income fund the Annuitant and the Trustee have opened in the Annuitant's name pursuant to his or her Application;

"Fund Proceeds" means the Property, less any Expenses and Taxes which may be required under Applicable Laws;

"Minimum Amount" means the minimum amount that, according to subsection 146.3(1) of the Tax Act, must be paid from the Fund in each year, subsequent to the year in which the Fund was opened;

"Prohibited Investment" means Property (other than prescribed excluded Property as that term is defined in the Tax Act) that is:

- (a) a debt of the Annuitant;
- (b) a share of the capital stock of, an interest in or a debt of:
 - (i) a corporation, partnership or trust in which the Annuitant has a significant interest;
 - (ii) a person or partnership that does not deal at arm's length with the Annuitant or with a person or partnership described in subparagraph (i);
- (c) an interest in, or right to acquire, a share, interest or debt described in paragraph (a) or (b); or
- (d) prescribed property (as that term is defined in the Tax Act);

"Property" means any property, including the income thereon the proceeds thereof and cash, held under the Fund from time to time;

"Qualified Investment" means any investment, which is a qualified investment for a registered retirement income fund according to Applicable Laws;

"Spouse" means the individual who is considered by Applicable Laws to be the Annuitant's spouse or common-law partner;

"Tax Act" means the Income Tax Act (Canada);

"Taxes" means any and all applicable taxes and assessments, including any penalties and interest, as may be required under Applicable Laws; and

"Trustee" means The Royal Trust Company in its capacity as trustee and carrier of the Fund, and its successors and assigns.

2. **Declaration of Trust.** The Trustee agrees to act as trustee of a Retirement Income Fund for the Annuitant named in the Application and to administer the Property according to this Declaration of Trust.

Appointment of Agent. The Trustee has appointed **Educators Financial Group Inc.** (the "Agent") as its agent to perform certain duties relating to the operation of the Fund. The Trustee acknowledges and confirms that ultimate responsibility for the administration of the Fund remains with the Trustee.

3. **Registration.** The Trustee will apply for registration of the Fund as a retirement income fund pursuant to the Applicable Laws.

4. **Tax Information.** The Trustee shall provide the Annuitant with appropriate information slips for income tax purposes each year showing the total of the payments made from the Fund during the preceding calendar year and such other information regarding the Fund as may be required under Applicable Laws.

5. **Delegation by Trustee.** The Annuitant expressly authorizes the Trustee to delegate to the Agent the performance of the following duties and obligations of the Trustee under the Fund:

- (a) receiving transfers of property to the Fund;
- (b) investing and reinvesting the Property as directed by the Annuitant;
- (c) registering and holding the Property in the Trustee's name, the Agent's name, in the name of their respective nominees or in bearer form as determined by the Agent from time to time;
- (d) maintaining the records of the Fund, including designation of beneficiaries, where applicable;
- (e) providing to the Annuitant statements of account for the Fund at least annually;
- (f) preparing all government filings and forms;
- (g) paying all amounts to be paid out of the Fund in accordance with the terms hereof; and
- (h) such other duties and obligations of the Trustee under the Fund as the Trustee in its absolute discretion may from time to time determine.

The Annuitant acknowledges that, to the extent the Trustee delegates any such duties, the Trustee shall thereby be discharged from performing such duties.

6. **Investment of the Property.** The Property shall be invested and reinvested on the directions of the Annuitant without being limited to investments authorized by law for trustees. The Trustee, in its sole discretion, may require the Annuitant to provide such

documentation in respect of any investment or proposed investment, as the Trustee deems necessary in the circumstances. The Trustee reserves the right to decline to make any particular investment if the proposed investment and related documentation do not comply with the Trustee's requirements at that time.

7. **Segregated Funds.** Segregated fund Property will be held in nominee name. The Annuitant agrees to designate the Trustee as the beneficiary under any segregated fund held under the Fund. Upon the death of the Annuitant, the proceeds of the segregated funds paid shall form part of the Property to be dealt with according to the terms of this Declaration of Trust. For greater certainty, upon the death of the Annuitant, the Trustee shall hold the segregated funds as Fund Proceeds for any beneficiary designated by the Annuitant under the Fund, in accordance with this Declaration of Trust.

8. **Choice of Investments for the Fund.** The Annuitant shall be responsible for selecting the investments of the Fund, ensuring that an investment is and continues to be a Qualified Investment, and determining whether any such investment is not and continues not to be a Prohibited Investment. The Trustee shall exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that the Fund holds a non Qualified Investment. The Annuitant shall have the right to appoint the Agent as his or her agent for the purpose of giving investment directions as provided in this paragraph 9.

9. **Uninvested Cash.** Uninvested cash will be placed on deposit with the Trustee or an affiliate of the Trustee. The interest on such cash balances payable to the Fund will be determined by the Agent from time to time in their sole discretion with no obligation to pay a minimum amount or rate. The Trustee will pay interest to the Agent for distribution to the Fund and the Agent shall credit the Fund with appropriate interest. The Trustee shall have no liability for such payment of interest once it is paid to the Agent for distribution.

10. **Right of Offset.** The Trustee and the Agent shall have no right of offset with respect to the Property in connection with any obligation or debt owed by the Annuitant to the Trustee or the Agent, other than the Expenses payable by the terms of this Declaration of Trust.

11. **Debit Balances.** If the Fund has a cash deficit, the Annuitant authorizes the Trustee or the Agent, to determine which Property to select and to sell such Property to cover the cash deficit within the Fund.

12. **Payments from the Fund.** The Agent shall make the following payments to the Annuitant and, where the Annuitant has so elected as provided in paragraph 17, to the Annuitant's Spouse after the death of the Annuitant, each year, commencing not later than the first calendar year after the year in which the Fund is established, one or more payments the aggregate of which is not less than the Minimum Amount for the year, but not exceeding the value of the Fund immediately before the time of payment. The Annuitant shall instruct the Agent which investments of the Fund should be sold to provide any required cash.

The amount and frequency of the payment or payments referred to in this paragraph in respect of any year shall be as specified in writing by the Annuitant on the Application Form or on such other form as the Agent may provide for this purpose. The Annuitant may change the amount and frequency of the said payment or payments or request additional payments by instructing the Agent in writing on such form as may be provided for this purpose, such change to be effective in the next calendar year.

If the Annuitant does not specify the payment or payments to be made in a year or if the payment or payments specified are less than the Minimum Amount for a year, the Agent shall make such payment or payments out of the Property as it deems necessary so that the Minimum Amount for that year is paid to the Annuitant. In the event that the Property does not contain sufficient cash to make such payment or payments, the Annuitant authorizes the Trustee or Agent to determine which Property shall be sold in order to effect such payment or payments.

The Agent shall withhold from any payment any income tax or other amount required to be withheld by Applicable Laws. Payments to the Annuitant shall be made pursuant to the Annuitant's direction. Where no such direction is provided, the Agent shall make payment by cheque to the Annuitant at the Annuitant's last address on file.

13. **Calculation of Minimum Amount.** The Minimum Amount under the Fund for the year in which the Fund is established is nil. The Minimum Amount for a year after the year in which the Fund was opened will vary, depending on the year in which the Fund was opened and the Annuitant's age (or the age of the Annuitant's Spouse if elected to use the Annuitant Spouse's age on the Application form before any payment from the Fund has been made), and will be calculated as required by subsection 146.3(1) of the Tax Act. An election made by the Annuitant to base the Minimum Amount on the age of the Annuitant's Spouse as provided above is thereafter binding and cannot be changed, revoked or amended after the first payment has been made from the Fund even if the Spouse dies or if the Annuitant and the Spouse cease to be married.

14. **No Assignment.** No payment under this Declaration of Trust may be assigned, either in whole or in part.

15. **Valuation of the Fund.** For the purposes of calculating the Minimum Amount for a year, the value of the Fund at the beginning of a year will be equal to the value of the Fund as at the close of business on the last business day of the Trustee in the immediately preceding year.

16. **Election of Successor Annuitant.** Subject to Applicable Laws, the Annuitant may elect that the Annuitant's Spouse become the Annuitant under the Fund after the Annuitant's death if the Spouse survives the Annuitant.

17. **Designation of Beneficiary.** Subject to Applicable Laws, and if the Annuitant has not elected a successor annuitant or the successor annuitant has predeceased the Annuitant, the Annuitant may designate a beneficiary to receive the Fund Proceeds on the Annuitant's death. A beneficiary designation may only be made, changed or revoked under the Fund by the Annuitant in a format required by the Agent for this purpose. Such designation must adequately identify the Fund and be delivered to the Agent prior to any payment by the Agent. The Annuitant acknowledges that it is his or her sole responsibility to ensure the designation or revocation is valid under the laws of Canada, its provinces or territories.

18. **Death of Annuitant (Where Spouse Becomes the Annuitant).** On the death of the Annuitant, where there has been an election of the Annuitant's Spouse as successor annuitant under the Fund, the Agent, upon receipt of Estate Documents, shall continue to make the payments, in accordance with this Declaration of Trust, to the Annuitant's Spouse after the death of the Annuitant. The Trustee and Agent shall be fully discharged upon making those payments to the Annuitant's Spouse, even though any election or designation made by the Annuitant may be invalid as a testamentary instrument.

19. Death of Annuitant (all other cases). If the Annuitant dies and the Annuitant's Spouse does not become the successor annuitant of the Fund, upon the receipt of Estate Documents by the Agent, which are satisfactory to the Trustee:

- (a) if the Annuitant has a designated beneficiary, the Fund Proceeds will be paid or transferred to the designated beneficiary, subject to the Applicable Laws. The Trustee and the Agent will be fully discharged by such payment or transfer, even though any beneficiary designation made by the Annuitant may be invalid as a testamentary instrument.
- (b) if the Annuitant's designated beneficiary has died before the Annuitant or if the Annuitant has not designated a beneficiary, the Trustee will pay the Fund Proceeds to the Annuitant's estate.

20. Release of Information. The Trustee and the Agent each are authorized to release any information about the Fund and the Fund Proceeds, after the Annuitant's death, to either the Annuitant's Estate Representative or the designated beneficiary, or both, as the Trustee deems advisable.

21. Payment into Court. If there is a dispute about:

- (a) a payout from the Fund or equalization of Property or other dispute arising from a breakdown of the Annuitant's marriage or common law partnership;
- (b) the validity or enforceability of any legal demand or claim against the Property; or
- (c) the authority of a person or personal representative to apply for and accept receipt of the Fund Proceeds on death of the Annuitant;

the Trustee and the Agent are entitled to either apply to the court for directions or pay the Fund Proceeds into court and, in either case, fully recover any legal costs they incur in this regard as Expenses from the Fund.

22. Account. The Agent shall maintain an account for the Annuitant which will record particulars of all investments, and transactions in the Fund and shall mail to the Annuitant, at least annually, a statement of account. The Agent shall also mail to the Annuitant, at least annually, a statement of the value of the Fund as at December 31 in each year and the Minimum Amount of the payments to be made to the Annuitant during the next calendar year.

23. Limitation on Liability. The Trustee shall not be liable for any loss suffered by the Fund, by the Annuitant or by any beneficiary under the Fund as a result of the purchase, sale or retention of any investment including any loss resulting from the Trustee acting on the direction of the agent appointed by the Annuitant to provide investment direction.

24. Indemnity. The Annuitant agrees to indemnify the Trustee for all compensation, Expenses and Taxes, other than those Taxes for which the Trustee is liable and that cannot be charged against or deducted from the Property in accordance with the Tax Act, incurred or owing in connection with the Fund to the extent that such compensation, Expenses and Taxes cannot be paid out of the Property.

25. Self-Dealing. The Trustee's services are not exclusive and, subject to the limitations otherwise provided in this Declaration of Trust on the powers of the Trustee, the Trustee may, for any purpose, and is hereby expressly authorized from time to time in its sole discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate, with which it may be directly or indirectly interested or affiliated with, whether on its own account or on the account of another (in a fiduciary capacity or otherwise), and to profit therefrom, without being liable to account therefore and without being in breach of this Declaration of Trust.

26. Compensation, Expenses and Taxes. The Trustee and Agent will be entitled to such reasonable fees as each may establish from time to time for services rendered in connection with the Fund. All such fees will, unless first paid directly to the Agent, be charged against and deducted from the Property in such manner as the Agent determines. All Expenses incurred shall be paid from the Fund, including Expenses with respect to the execution of third party demands or claims against the Fund.

All Taxes, other than those Taxes for which the Trustee is liable and that cannot be charged against or deducted from the Property in accordance with the Tax Act, will be charged against and deducted from the Property in such manner as the Agent determines.

27. Sale of Property. The Trustee and Agent may sell Property in their respective sole discretion, for the purposes of paying compensation, Expenses and Taxes, other than those Taxes for which the Trustee is liable in accordance with the Tax Act and that cannot be charged against or deducted from the Property in accordance with the Tax Act.

28. Transfers into the Fund. Amounts may be transferred to the Fund from registered pension plans, other registered retirement income funds or registered retirement savings plans and such other sources as may be permitted from time to time under the Tax Act. In the case of such transfers, the Fund may be subject to additional terms and conditions, including the "locking-in" of amounts transferred from registered pension plans in order to complete the transfer in accordance with Applicable Laws. If there is any inconsistency between the terms and conditions of the Fund and any such additional terms and conditions which may apply as a result of transfer to the Fund of amounts from another source, the additional terms and conditions shall govern the manner in which funds so transferred are dealt with. The Annuitant acknowledges and expressly agrees to be bound by any such additional terms and conditions to which the Fund may be subject from time to time.

29. Transfers out of the Fund. Upon delivery to the Agent of a direction from the Annuitant in a form satisfactory to the Trustee, the Agent shall transfer, in the form and manner prescribed by Applicable Laws, to another registered retirement income fund, registered retirement savings plan or registered pension plan of the Annuitant, all or such portion of the Property as is specified in the directions, together with all necessary information for the continuance of the Fund to the trustee designated by the Annuitant in such direction except such transfer may be to a registered retirement savings plan or registered retirement income fund of the Annuitant's Spouse or Former Spouse, if under a decree, order or judgement of a competent tribunal or under a written separation agreement, relating to a division of property between the Annuitant and the Annuitant's Spouse or Former Spouse in settlement of rights arising out of, or on the breakdown of their marriage or common law partnership.

For greater certainty, the Agent shall retain sufficient Property in order that the Minimum Amount for the year, as per paragraph 146.3(2)(e.1) or (e.2) of the Tax Act, may be retained and paid to the Annuitant. The Agent may, in its sole discretion, deduct applicable Expenses, including any transfer fee from the Property or the portion thereof being transferred. If only a portion of the property or value of the Fund is transferred, the Annuitant may instruct the Agent in the said notice as to which investments he or she wishes to be sold or transferred for the purpose of effecting the said transfer. If the Annuitant fails to so instruct the Agent, the Agent shall sell or transfer such investments as it in its sole discretion deems appropriate.

Such transfer shall take effect in accordance with Applicable Laws after all forms required by law and by the Trustee to be completed in respect of such transfer have been completed and forwarded to the Agent. Upon such transfer, the Trustee shall be subject to no further liability or duty with respect to the Fund, or the portion thereof so transferred, as the case may be.

30. Changes to Declaration of Trust. The Trustee may change this Declaration of Trust periodically. The Annuitant will be notified on how to obtain an amended copy of the Declaration of Trust reflecting any such change and will be deemed to have accepted such changes. No change to this Declaration of Trust (including a change calling for the Trustee's resignation as trustee or the termination of the trust created by this Declaration of Trust) will be retroactive or result in the Fund not being acceptable as a registered retirement income fund under Applicable Laws.

31. Replacement of Trustee

(a) The Trustee may resign by giving such written notice to the Agent as may be required from time to time under the terms of an agreement entered into between the Agent and the Trustee. The Annuitant will be given at least 30 days prior notice of such resignation. On the effective date of such resignation, the Trustee will be discharged from all further duties, responsibilities, and liabilities under this Declaration of Trust, except those incurred before the effective date.

The Trustee will transfer all Property, together with all information required to continue the administration of the Property as a registered retirement income fund under the Applicable Laws, to a successor trustee.

(b) The Trustee has agreed to resign upon it being provided with notice in writing by the Agent if the Trustee is satisfied that the successor nominated by the Agent will properly assume and fulfill the Trustee's duties and liabilities hereunder in respect of the administration of the Fund.

(c) In either event, the Agent shall forthwith nominate a person to replace the Trustee and the resignation of the Trustee shall not take effect until its replacement has been so nominated by the Agent and appointed as successor by the Trustee and approved by Canada Revenue Agency or its successor. Failing the nomination of a replacement by the Agent within 30 days after receipt by it of a notice of resignation, the Trustee shall be entitled to appoint a person as its own replacement.

(d) Upon any such appointment and resignation of the Trustee, the person so appointed as replacement trustee shall, without further act or formality, be and become the Trustee hereunder. Such replacement trustee shall, without any conveyance or transfer, be vested with the same power, rights, duties and responsibilities as the Trustee and with the Property as if the replacement trustee had been the original Trustee. The Trustee shall execute and deliver to the replacement trustee all such conveyances, transfers and further assurances as may be necessary or advisable to give effect to the appointment of the replacement trustee.

(e) Any person appointed as a replacement trustee shall be a corporation resident in Canada that is licensed or otherwise authorized under the laws of Canada or a province or territory to carry on in Canada the business of offering to the public its services as trustee.

Any trust company resulting from the merger or amalgamation of the Trustee with one or more trust companies and any trust company that succeeds to substantially all of the trust business of the Trustee shall thereupon become the successor to the Trustee without further act or formality. In all such cases, Canada Revenue Agency or its successor shall be notified.

32. Assignment by Agent. The Agent may assign its rights and obligation hereunder to any other corporation resident in Canada authorized to assume and discharge the obligations of the Agent under the Fund and Applicable Laws.

33. Notice. Any notice given by the Annuitant to the Agent shall be sufficiently given if delivered electronically to the Agent upon the Annuitant's receipt of an acknowledgement and response to same or personally to the office of the Agent where the Fund is administered, or if mailed, postage prepaid and addressed to the Agent at such office, and shall be considered to have been given on the day that the notice is actually delivered or received by the Agent.

Any notice, statement, receipt or other communication given by the Trustee or the Agent to the Annuitant shall be sufficiently given if delivered electronically or personally to the Annuitant, or if mailed, postage prepaid and addressed to the Annuitant at the address shown on the Application or at the Annuitant's last address given to the Trustee or the Agent, and any such notice, statement, receipt or other communication shall be considered to have been given at the time of delivery to the Annuitant electronically or personally or, if mailed, on the fifth day after mailing to the Annuitant.

34. Date of Birth. The Annuitant's statement of his or her date of birth in the Annuitant's application and, where applicable, that of his or her Spouse, shall be deemed to be a certification as to the Annuitant's age and his or her Spouse's age and an undertaking to provide any further evidence of proof of age as may be required by the Trustee.

35. Address of Annuitant. The Trustee shall be entitled to rely upon the Agent's records as to the current address of the Annuitant as establishing his or her residency and domicile for the operation of the Fund and its devolution on the death of the Annuitant subject to any notice to the contrary respecting the Annuitant's domicile on death.

36. Heirs, Representatives and Assigns. The terms of this Declaration of Trust shall be binding upon the heirs, Estate Representatives, attorneys, committees, guardians of property, other legal and personal representatives and assigns of the Annuitant and upon the respective successors and assigns of the Trustee and the Agent and their directors, officers, employees and agents, as well as their respective estates, Estate Representatives, heirs, attorneys, committees, guardians of property, other legal and personal representatives and assigns.

37. Language. The Annuitant has expressly requested that this Declaration of Trust and all related documents, including notices, be in the English language. Le rentier a expressément demandé que cette Déclaration de fiducie et tous documents y afférents, y compris tout avis, soient rédigés en langue anglaise. (Quebec only/Québec seulement)

38. Governing Law. This Declaration of Trust and the Fund shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

The Annuitant expressly agrees that any action arising out of or relating to this Declaration of Trust or the Fund shall be filed only in a court located in Canada and the Annuitant irrevocably consents and submits to the personal jurisdiction of such court for the purposes of litigating any such action.



One focus, many solutions.

APPENDIX A

Risk Tolerance

Risk tolerance can be defined by how comfortable you are with fluctuations in the value of your investments. Please refer to the risk categories below to assist you in determining your own acceptable level of risk.

- **Low:** Demonstrate a low volatility and are for investors who are willing to accept lower returns for greater safety of capital and may include money market funds as well as some fixed income funds.
- **Medium:** Demonstrate a medium volatility and are for investors looking for moderate growth over a longer period of time and may include balanced funds as well as certain Canadian and U.S. Equity funds.
- **High:** Demonstrate a high volatility and are for investors who are growth oriented and are willing to accept significant short-term fluctuations in portfolio value in exchange for potentially higher long-term returns. Examples may include labour-sponsored venture capital funds or funds that invest in specific market sectors or geographic areas such as emerging markets and science and technology funds.

Investment Objectives

- **Income:** Your objective is to generate current income from your investments and you are less concerned with capital appreciation. Investments that will satisfy this objective include fixed income investments such as funds that invest in bond or money market instruments.
- **Medium term:** You are seeking a combination of income and growth by investing in fixed income securities and equity funds. An account with growth and income objectives will typically hold at least 40% in fixed income investments and 60% in equity mutual funds.
- **Long-term growth:** You are seeking capital appreciation over the long term and current income is not a requirement. This may lead you to hold a relatively high proportion of funds that invest in equities if you also have a higher risk tolerance and long-term time horizon.
- **Speculative:** You are seeking capital appreciation over the long term and current income is not a requirement. Your long term perspective, coupled with your stated capacity for portfolio volatility means you will be comfortable holding up to 100% equity mutual funds such as specific market sectors or geographic areas such as emerging markets and science and technology funds.

Time Horizon

Time Horizon is the period between now and the point when you will need to access a significant portion of the money you have accumulated.

Net Worth

Your Net Worth is calculated as estimated liquid assets (*i.e. investments, cash*) plus fixed assets (*i.e. real estate, registered plan assets*) less estimated liabilities (*i.e. mortgage, car loan*).

Politically Exposed Foreign Persons

The following individuals including their spouses or common-law partners, mothers or fathers, children, brothers, sisters, half-brothers or half-sisters; and spouses, or common-law partners' mothers or fathers, are considered to be "Politically Exposed Persons" for the purposes of the new regulation:

- Head of state or government
- Member of the executive council of government or member of a legislature
- Deputy minister (*or equivalent*)
- Ambassador or ambassador's attaché or counselor
- Military general (*or higher rank*)
- President of a state-owned company or bank
- Head of a government agency
- Judge
- Leader, or president of a political party in a legislature



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PRIVACY PROTECTION Notice

Educators Financial Group (“Educators”) is committed to protecting the privacy of personal information that we collect and maintain in the course of carrying on our business. This Privacy Protection Notice describes how we collect, hold, use and disclose your personal information. You understand that in signing this application that you consent to your personal information being collected, held, used and disclosed by Educators Financial Group as Agent for the Royal Trust Company.

1. Client Record and Personal Information:

We hold the personal information we collect about you (and your spouse and/or beneficiary as applicable) for the purposes identified in this Notice in your client record. Depending on the investment or service you request, you understand the personal information collected may include but is not limited to:

- Your name, address, telephone number, social insurance number, date of birth and account holdings;
- The name, address, social insurance number and date of birth of your spouse/partner and/or beneficiary;
- Your email address, school board and or affiliation; and
- Your banking information (i.e. void cheque for setting up a PAC (Pre-Authorized Contribution Plan)).

2. Your Personal Information – Collecting, Holding, Using and Disclosing:

You understand that Educators may collect, hold, and use the personal information in your client record as well as collect personal information from and disclose personal to third parties identified in Section 3 for the following purposes:

- To verify your identity and to ensure the accuracy of information contained in your client record;
- To establish and maintain an investment account for you;
- To fully understand your investment needs, objectives and tolerance for risk so that Educators may determine appropriate investment strategies for you;
- To establish and maintain services that you may request such as a PAC (Pre-Authorized Contribution Plan) and/or a Group Payroll Deduction Plan;
- To execute transactions for you such as transferring funds by electronic or other means;
- To establish and maintain paper/electronic communications with you through mediums including newsletters, statements, eNews, special mailings, transaction confirmations, tax receipts and other information as needed to service your account;
- Verifying information previously given by you with any other organization when necessary for the purposes provided in this Notice;
- To occasionally conduct research to determine how better to serve our clients;
- To meet legal and regulatory requirements; and
- To provide me with information about Educators Financial Group products and services.

3. Third Parties:

- Educators may collect your personal information for the purposes identified in this Notice from third parties such as other financial institutions and mutual fund companies, and from third parties who represent that they have the right to disclose the information.
- Educators may transfer your personal information for the purposes identified in this Notice to our service providers, such as account statement preparation and mailing companies, courier companies and document storage companies. When Educators transfers personal information to our service providers, we ensure by contractual means that the transferred personal information is used only for the purposes for which the service provider is retained and is protected to the same degree as it is when in our possession.
- Educators may disclose your personal information to third parties when permitted or required by law, such as disclosure for tax purposes to the Canada Revenue Agency.

4. Your Rights:

- You have the right to expect that Educators will only use or disclose your personal information for the purpose for which it was collected, unless you give consent for it to be used for other reasons;
- You have the right to know who at Educators is responsible for protecting your personal information and that access to your information is restricted to and may only be accessed by employees of Educators whose professional duties require them to do so;
- You are entitled to access, through a written request, the personal information in your client record, subject to limited exceptions set out in law. You may verify this personal information and request in writing that any inaccurate information be corrected; and
- If your concerns about access to and/or the correction of your personal information have not been resolved to your satisfaction, or if you have questions or other concerns about the management of your personal information, you may contact the Privacy Officer at Educators. If after contacting Educators’ Privacy Officer your question or concern has not been resolved, you have the right to file a formal complaint with the Privacy Commissioner of Ontario.



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PRE-AUTHORIZED Chequing Agreement

(not applicable for Locked-in RSP, LIRA, RIF, LIF, RLSP or RLIF account types)

By signing the Pre-Authorized Contribution Plan (PAC) section of the application form you agree to the following terms and conditions:

- You authorize Educators Financial Group to debit the bank account provided for the amount(s) and in the frequencies instructed.
- You acknowledge that your debt will be considered a Funds Transfer Pre-Authorized Debit (PAD) by Canadian Payments Association definition.
- You have certain recourse rights if a debit does not comply with this agreement. For example, you have the right to receive reimbursement for any debit that is not authorized or is not consistent with this pre-authorized debit agreement. To obtain more information on your recourse rights, you may visit our website at www.educatorsfinancialgroup.ca or contact us directly 416-752-6843 or 1-800-263-9541. Alternatively, you may visit the Canadian payments association website at www.cdnpay.ca.
- You confirm that all persons whose signatures are required to authorize transactions in the bank account provided have signed the Pre-Authorized Contribution Plan (PAC) section of the application form.
- You may change these instructions or cancel this plan at any time, provided that Educators Financial Group receives written notice at least 10 business days before your next scheduled PAD. To obtain a copy of a cancellation form or for more information regarding your right to cancel a preauthorized debit agreement, you may visit our website at www.educatorsfinancialgroup.ca or contact us directly 416-752-6843 or 1-800-263-9541. Alternatively, you may visit the Canadian payments association website at www.cdnpay.ca.
- You agree to release the financial institution of all liability if the revocation is not respected, except in the case of gross negligence by the financial institution.
- You agree that the information in this form will be shared with the financial institution, insofar as the disclosure of this information is directly related to and necessary for the proper application of the rules applicable for pre-authorized debits.
- You acknowledge and agree that you are fully liable for any charges incurred if the debits cannot be made due to insufficient funds or any other reason for which you may be held accountable.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

Client Complaint Information Form

Clients of a mutual fund dealer who are not satisfied with a financial product or service have a right to make a complaint and to seek resolution of the problem. MFDA Member dealers have a responsibility to their clients to ensure that all complaints are dealt with fairly and promptly. If you have a complaint, these are some of the steps you can take:

- Contact your mutual fund dealer. Member firms are responsible to you, the investor, for monitoring the actions of their representatives to ensure that they are in compliance with by-laws, rules and policies governing their activities. The firm will investigate any complaint that you initiate and respond back to you with the results of their investigation within the time period expected of a Member acting diligently in the circumstances, in most cases within three months of receipt of the complaint. It is helpful if your complaint is in writing.
- Contact the Mutual Fund Dealers Association of Canada (“MFDA”), which is the self-regulatory organization in Canada to which your mutual fund dealer belongs. The MFDA investigates complaints about mutual fund dealers and their representatives, and takes enforcement action where appropriate. You may make a complaint to the MFDA at any time, whether or not you have complained to your mutual fund dealer. The MFDA can be contacted:
 - By completing the on-line complaint form at www.mfda.ca
 - By telephone in Toronto at (416) 361-6332, or toll free at 1-888-466-6332
 - By e-mail at complaints@mfda.ca¹
 - In writing by mail to 121 King Street West, Suite 1000, Toronto, ON M5H 3T9 or by fax at (416) 361-9073

Compensation:

The MFDA does not order compensation or restitution to clients of Members. The MFDA exists to regulate the operations, standards of practice and business conduct of its Members and their representatives with a mandate to enhance investor protection and strengthen public confidence in the Canadian mutual fund industry. If you are seeking compensation, you may consider the following:

- Ombudsman for Banking Services and Investments (“OBSI”): You may make a complaint to OBSI after you have complained to the dealer, at either of the following times:
 - If the dealer’s Compliance Department has not responded to your complaint within 90 days of the date you complained, or;
 - After the dealer’s Compliance Department has responded to your complaint and you are not satisfied with the response. **Please note that you have 180 calendar days to bring your complaint to OBSI after receiving the dealer’s response.**

¹ You may wish to consider issues of internet security when sending sensitive information by standard e-mail.

- OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients. OBSI can make a non-binding recommendation that your firm compensate you (up to \$350,000) if it determines that you have been treated unfairly, taking into account the criteria of good financial services and business practice, relevant codes of practice or conduct, industry regulation and the law. The OBSI process is free of charge and is confidential. OBSI can be contacted:
 - By telephone in Toronto at (416) 287-2877, or toll free at 1-888-451-4519
 - By e-mail at ombudsman@obsi.ca
- Legal Assistance: You may consider retaining a lawyer to assist with the complaint. You should be aware that there are legal time limits for taking civil action. A lawyer can advise you of your options and recourses. Once the applicable limitation period expires, you may lose rights to pursue some claims.
- Manitoba, New Brunswick and Saskatchewan: Securities regulatory authorities in these provinces have the power to, in appropriate cases, order that a person or company that has contravened securities laws in their province pay compensation to a claimant. The claimant is then able to enforce such an order as if it were a judgment of the superior court in that province. For more information, please visit:

Manitoba: www.msc.gov.mb.ca
 New Brunswick: www.nbsc-cvmnb.ca
 Saskatchewan: www.fcaa.gov.sk.ca

- In Québec:
 - If you are not satisfied with the outcome or with the examination of a complaint, the Autorité des marchés financiers (“AMF”) can examine your complaint and may provide dispute resolution services.
 - If you think you are a victim of fraud, fraudulent tactics or embezzlement, you can contact the AMF to see if you meet the eligibility to submit a claim to the *Fonds d’indemnisation des services financiers* (“Financial Services Compensation Fund”). An indemnity up to \$200,000 can be payable through monies accumulated in the fund for an eligible claim.
 - For more information:
 - Contact the AMF by telephone at (418) 525-0337 (in Québec), or toll free at 1-877-525-0337
 - Visit www.lautorite.qc.ca.



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Complaint Handling Procedures (CHP)

Educators Financial Group has procedures in place to handle complaints in a fair and prompt manner. This is a summary of those procedures, which we provide to new clients and to persons who have filed a complaint. This summary is posted on our website. New clients and those who submit a verbal or written complaint are provided with a copy of the Client Complaint Information Form (CCIF) which provides information for options that complainants have when making a complaint.

How Complaints Can Be Filed

All complaints may be directed to the Compliance Department by letter sent to our firm address below, by email; info@educatorsfinancialgroup.ca or by phone at 1.800.263.9541.

2225 Sheppard Avenue East
Suite 1105
Toronto, Ontario
M2J 5C2

How Complaints are Handled

We will send you an initial acknowledgement and response within (5) five business days of receiving your complaint. We will also send you a copy of our Client Complaint Information Form (CCIF), as well as a copy of our Complaint Handling Procedures (CHP).

We will investigate your complaint and look at all the information and documentation necessary. We may need to contact you for additional information and assistance is available if required for any reason. We will usually complete this process within 90 days or less and send you a written resolution response unless the case is very complicated and we are waiting for additional information.

If you are not satisfied with our response, a complaint can also be filed with:

- I. Mutual Fund Dealers Association of Canada (MFDA): Investigates complaints about mutual fund dealers and their Advisors and takes enforcement action where appropriate. There is no cost to clients to submit a complaint to the MFDA.

121 King Street West, Suite 1000
Toronto, ON M5H 3T9
Call: 416.361.6332
Toll Free: 1.800.263.9541
Fax: 416.361.9073
Email: complaints@mfd.ca

- II. Ombudsman for Banking Services & Investment (OBSI): Independent from the MFDA, government and the financial services industry. OBSI provides an independent and impartial process for the investigation and resolution of complaints about the provision of financial services to clients.

401 Bay Street, Suite 1505
P.O. Box 5
Toronto, ON M5H 2Y4
Call: 1.888.451.4519
Fax: 1.888.422.2865
Email: ombudsman@obsi.ca

- III. You may also wish to retain a lawyer to assist with your complaint.

Settlements

Complainants may be required to sign releases or waivers for financial settlements offered and please be advised that our Advisors cannot enter into a private settlement without written consent of the firm.

Clients and complainants may contact us at any time to provide additional information or for updates on their complaint, by contacting our Chief Compliance Officer.

Privacy

If you have a complaint about the treatment of your personal information, you may contact the Compliance or the Office of the Privacy Commissioner of Canada at 1.800.282.1376.



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RELATIONSHIP Disclosure Notice

As a member of the Mutual Fund Dealers Association of Canada (MFDA), Educators Financial Group (“Educators”) is required to provide all clients (*new and existing*), core information about the nature of their relationship between Educators and its financial advisors. The objective of the relationship disclosure requirement is to ensure that clients understand their obligations upon opening an account, as well as the obligations of Educators in regards to informing clients about service levels and costs.

Nature of the Advisory Relationship

As a client of Educators, you are responsible for making your investment decisions. However, you may rely on the advice given by your designated financial advisor – as the financial advisor is always responsible for the advice given, and for ensuring that the advice is suitable based on the client’s investment needs and objectives.

Nature of Products and Services Offered

Educators offers the ability to choose from thousands of mutual fund products, including its own family of mutual funds. Our services include free financial planning, webinars, workshops, and for clients looking to purchase securities other than mutual funds, we have partnered with third party service provider, Qtrade Investor. In addition, Educators is also a Mortgage Brokerage firm offering mortgages to clients, as well as lines of credit and loans through various lending partners.

For more detailed information on the specific products and services offered, clients can visit educatorsfinancialgroup.ca, or call **1.800.263.9541** and ask to speak to an Account Manager. Any cost of borrowing or other required disclosure under the *Mortgage Brokerages, Lenders and Administrators Act, 2006 (Ontario)* will be provided to you if you arrange a mortgage through us. If a referral is made to one of our lending partners for a line of credit or a loan, a separate disclosure document regarding our relationship with the lending partner will be provided to you.

Nature or Type of Client Accounts

Educators offers investment accounts such as Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Registered Education Savings Plans (RESPs), Tax-Free Savings Accounts (TFSA) and Non-Registered (Cash) accounts.

Procedures Regarding Handling of Cash and Cheques

Educators does not accept cash deposits. All payments must be provided by cheque (*personal or certified*) or electronically through the client’s financial institution. All cheques must be made payable to Educators Financial Group, and should never be made payable to a financial advisor.

Suitability of Orders Accepted/Recommendations Made

Educators is required under securities legislation, and MFDA rules to:

- Ensure each investment recommendation is suitable for the client in relation to the client’s investment objectives, risk tolerance, and other personal circumstances; and
- To perform a suitability assessment of all trades proposed by you, regardless of whether or not a recommendation is made

In addition, when any of the conditions noted below occur, we are required to perform a suitability assessment of the investments held in your account(s):

- When you transfer assets into an account at Educators;
- When Educators or your financial advisor becomes aware of a material change in your personal information such as your stated risk tolerance, time horizon and investment objective; or
- When there is a change in the financial advisor responsible for your investment account(s)

Definition of KYC (Know Your Client) Terms

We are required under securities legislation to collect certain personal information about you and your financial condition, pursuant to our KYC obligations. We do this through the KYC form and account application that you complete in order to open an account. This information also helps us perform our required suitability review when securities are traded in your account. It is therefore very important that this information be kept up to date. Please contact your financial advisor if any of the personal information provided to us changes materially. Material changes would generally be any significant changes relating to your annual income, investment objectives, risk tolerances, time horizon or net worth. For a full description of KYC terms, including Risk Tolerance, Investment Objective and Time Horizon, please refer to your Educators KYC form and application.

Investment Risks

All investments have some level and type of risk. Simply stated, risk is the possibility you will lose money, or not make money on your investment. Each investor has a different tolerance for risk. Some investors are more conservative than others when making their investment decisions. It is important to take into account your own comfort with risk as well as the amount of risk suitable for your financial circumstances and goals. The risks associated with investing in a mutual fund are similar to the risks associated with the securities in which the mutual fund invests. Generally, the higher an investment’s anticipated return, the greater the risk you must be prepared to take.

When deciding how much risk is right for you, think about how much time you have until you need the money: If you are investing for less than a year, you should not take undue risk. There may not be enough time to recover the full amount of your investment if the mutual fund falls in value. A longer time horizon allows you to take on more risk. Although the value of your investments may drop in the short term, longer investment horizons may help to lessen the effects of short-term market volatility.

It is important that you understand the risks associated with the funds held in your account. All of our funds have been assessed by us for their relative level of risk, and are rated as either: low, low-medium, medium, medium-high, or high, as applicable. The risk rating of any particular fund is set out in the Fund Facts sheet for that fund. There is also a detailed discussion of the risks associated with investing in mutual funds generally, as well as the risks associated with each fund, and a description of the various risk rating categories in the funds' simplified prospectus. We encourage you to review this material, or speak to your financial advisor. For the specific risks associated with a particular fund, refer to the fund's simplified prospectus or speak to your financial advisor.

Risks associated with borrowing money to invest

Borrowing money, often referred to as leveraging, to invest is risky and should only be considered if you are:

- Comfortable with taking risk
- Are investing for the long-term
- Have a stable income and
- Are comfortable with taking on debt to purchase investments that may go up or down in value

If you use leveraging to invest, you may end up losing money:

- If the investments go down in value and you have borrowed money, your losses would be larger than had you used your own money
- Whether your investments make money or not you will still have to pay back the loan plus interest
- You may have to sell other assets or use money you had set aside for other purposes to pay back the loan
- If you used your home as security for the loan, you may lose your home
- If the investments go up in value you may still not make enough money to recover the costs of borrowing

Conflicts of Interest

As a registered investment fund manager, we are required to refer all conflict of interest matters between us and our funds to an independent review committee established under National Instrument 81-107 *Independent Review Committee for Investment Funds*, for either their recommendation or approval, as required by that Instrument.

Content and Frequency of Reporting

Educators sends out two types of reporting documentation; trade confirmations and quarterly statements. Trade confirmations are sent out whenever a new transaction is processed through your account and are mailed within four business days from the date of the transaction. The confirmations include: the name of the fund(s), the type of transaction (*i.e. purchase, redemption, switch*), the unit price, the quantity transacted and trade date, as well as other pertinent information.

Account statements are sent out on a quarterly basis and consist of: a detailed transaction history, an overall account summary showing the unit balance, unit price and market value for each fund, opening market value, and closing market value. Account rates of returns are also provided on statements of accounts. For more specific content, clients can refer to their respective trade confirmations and quarterly statements. We encourage you to review trade confirmations and quarterly statements carefully, so that you understand the transactions that have occurred in your account, your account holdings and performance. If you have any questions about these matters, please speak to your financial advisor.

Compensation and Reference to Other Sources of Information

Educators charges an aggregate management fee plus HST for its combined services as investment fund manager and principal distributor to our fund—a portion of that management fee is used by us to pay the third party portfolio advisers to our funds. We do not charge administration costs against our funds for regulatory filing fees, record keeping or accounting. Consistent with industry practice, the only additional costs charged to our funds in addition to our management fees are the fees and expenses of the Independent Review Committee and brokerage costs. If clients choose to close their account, Educators charges a \$150 fee plus HST for the full transfer of holdings in a registered account (*excluding RESPs*), as well as a non-registered account to another financial institution.

Further information with respect to fees and costs in respect of our funds can be found in our simplified prospectus, Fund Fact sheets, Annual Information Form (AIF), online at educatorsfinancialgroup.ca, or clients can speak to their financial advisor.

In addition, if we as a mutual fund dealer sell a third party fund to you, we do not levy any sales charges for doing so. We may, however, receive trailer fees (*also known as service fees*) from that third party fund in accordance with its policies in this regard for so long as the fund in question remains in your account with us. If we receive revenue in respect of any referral fee arrangements with others, we will provide you with specific disclosure regarding that referral arrangement and the associated fees we receive in accordance with regulatory requirements.

Performance Benchmarks

We do not currently use benchmarks in order to assess the relative performance of your account. We have, however, for many of our funds, established a benchmark, or a blended benchmark, consistent with the types of securities that the fund may hold, that we use to assess the effectiveness of the portfolio adviser appointed for that fund and to decide when a change of portfolio adviser would be appropriate.



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LEVERAGE RISK Disclosure

RISK OF BORROWING TO INVEST

Here are some risks and factors that you should consider before borrowing to invest:

Is it Right for You?

Borrowing money to invest is risky. You should only consider borrowing to invest if:

- o You are comfortable with taking risk.
- o You are investing for the long-term.
- o You have a stable income.
- o You are comfortable taking on debt to buy investments that may go up or down in value.

You should not borrow to invest if:

- o You have a low tolerance for risk.
- o You are investing for a short period of time.
- o You intend to rely on income from the investments to pay living expenses.
- o You intend to rely on income from the investments to repay the loan. If this income stops or decreases you may not be able to pay back the loan.

You Can End Up Losing Money

- If the investments go down in value and you have borrowed money, your losses would be larger than had you invested using your own money.
- Whether your investments make money or not you will still have to pay back the loan plus interest. You may have to sell other assets or use money you had set aside for other purposes to pay back the loan.
- If you used your home as security for the loan, you may lose your home.
- If the investments go up in value, you may still not make enough money to cover the costs of borrowing.

Tax Considerations

- You should not borrow to invest just to receive a tax deduction.
- Interest costs are not always tax deductible. You may not be entitled to a tax deduction and may be reassessed for past deductions. You may want to consult a tax professional to determine whether your interest costs will be deductible before borrowing to invest. Your advisor should discuss with you the risks of borrowing to invest.

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