

## Segregated Investment Fund - Sales Charge Disclosure

As an investor, it's important to learn the different types of sales charge options that exist with your investment so that you can make an informed decision about which type you prefer. Distribution firm will receive payments from the investment fund manufacturer and will distribute a percentage of commission to your Advisor. Please discuss any questions or concerns that you may have with your advisor before a decision is made; **check the box and initial at the sales charge type that you have chosen for this investment:**

- \_\_\_\_\_  **No load (NL)** : no fee applied when you buy or sell units.
- \_\_\_\_\_  **No Sales Charge (NSC)/ Chargeback (CB)** : no fee applied when you buy or sell units. If client choose to withdraw funds within the charge back period (3 or 5 years), there is a charge back of commission to the advisor.
- \_\_\_\_\_  **Front end Load (FEL)** : a sales charge applied at the time of the initial purchase of an investment . If you invest \$1000 of fund with a front-end fee of 1.5%, the actual investment fund purchased is \$985.
- \_\_\_\_\_  **Low Sales Charge (LSC)/ Low Load (LL)** : works similar to DSC option but have a lower sales charge (up to 3%), you will pay an early redemption fee as per the sample chart below:

When you sell your units	You pay a fund redemption fee of	
	In percentage	For every \$1000 you sell
Within 1st years after purchase	3.0% of the amount you sell	\$30
During the 2nd year after purchase	2.5% of the amount you sell	\$25
During the 3rd year after purchase	2.0% of the amount you sell	\$20
After the 3rd year	No fee	\$0

- \_\_\_\_\_  **Deferred Sales Charge (DSC)** you never see any fee deducted from your investment; if you buy \$1000 of a DSC type investment fund with a 5% fee, the total \$1,000 will invest to your fund; only if you withdraw money from the fund within an initial set period, you will pay an early redemption fee as per the sample chart below:

When you sell your units	You pay a fund redemption fee of	
	In percentage	For every \$1000 you sell
Within 2 years after purchase	5.0% of the amount you sell	\$50
During the 3rd year after purchase	5.0% of the amount you sell	\$50
During the 4th year after purchase	4.0% of the amount you sell	\$40
During the 5th year after purchase	4.0% of the amount you sell	\$40
During the 6th year after purchase	3.0% of the amount you sell	\$30
During the 7th year after purchase	2.0% of the amount you sell	\$20
More than 7 years after purchase	No fee	\$0

***\*Above sales charges rates are for reference only. Investor should ask your advisor to provide the Information Folder of the insurance company that you're going to invest, and to check with the actual sales charges.***

Other Considerations:

- It is client's responsibility to contact your existing fund institution to determine if there are transaction fees and / or charges associated with the transfer funds request to another fund institution.
- For estate purposes, the DSC/LSC schedule is eliminated on this investment in the event of the investor's death.
- In the event of the primary investor's death, the investments can often be held by a contingent plan holder with the redemption schedule retained intact.

**I/we have read and understand the above disclosure:**

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Client Name

\_\_\_\_\_  
Joint Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Advisor Name

\_\_\_\_\_  
Advisor Signature

\_\_\_\_\_  
Date