

# Fee Disclosure

## Segregated Fund Sales Charges & Redemption Fees

### Advisor Compensation

When you invest in segregated funds, your advisor receives compensation for the financial services they provide. This document outlines the available compensation structures. Your advisor's firm (the Managing General Agent) receives payments from the fund manufacturer and remits a portion to your advisor.

#### **Front End Load (FEL)**

A sales charge deducted from your initial investment at the time of purchase. The rate is negotiable between you and your advisor, typically ranging from 0% to 5% of the transaction amount.

**Example:** A \$10,000 investment with a 1.5% front end load results in \$150 paid to the advisor's firm, with \$9,850 allocated to your account.

#### **No Load (NL)**

No sales charge applies when purchasing or redeeming units. The advisor receives no upfront commission; compensation is provided solely through ongoing trailer fees for the duration of your investment.

**Example:** A \$10,000 investment is allocated entirely to your account. The advisor receives ongoing service compensation.

#### **Deferred Sales Charge (DSC)**

No charge at the time of purchase. A redemption fee applies if you withdraw funds within the schedule period, calculated as a percentage of the original purchase amount. This fee declines annually until it reaches zero. DSC schedules typically range from 5 to 7 years.

**Example:** On a \$10,000 investment, a withdrawal in Year 2 incurs a 4% fee (\$400). After the schedule period, no redemption fee applies.

#### **Advisor Chargeback**

No sales charge or redemption fee is charged to you. However, if you redeem within the chargeback period, the advisor's firm may be required to return all or a portion of the sales commission previously paid by the fund company. Chargeback periods typically range from 3 to 5 years.

**Note:** Your advisor may discuss the implications of early redemption on their compensation arrangement.

## Fee-Based (F-Class Funds)

An alternative to commission-based compensation. A fixed advisory fee, expressed as a percentage of assets under management, is charged directly to your account. Fee-based accounts invest in F-class funds, which carry lower management expense ratios as they exclude embedded advisor compensation.

**Example:** A 1% annual advisory fee on a \$100,000 account results in \$1,000 deducted annually. No sales commissions apply.

## Quick Comparison

Fee Type	Pay Upfront?	Pay to Sell Early?	Advisor Gets Upfront Commission?	Best For
Front End Load	Yes (negotiable)	No	Yes	Flexible access to your money
No Load	No	No	No	Maximum flexibility, fee-conscious
Deferred Sales Charge	No	Yes (declining)	Yes	Long-term investors (5+ years)
Advisor Chargeback	No	No (advisor pays)	Yes	Planning to hold medium-term
Fee-Based	No	No	No	Transparency, larger accounts

### Ongoing Trailer Compensation (Service Fees)

Regardless of the sales charge option selected (with the exception of Fee-Based arrangements), your advisor receives ongoing trailer compensation from the fund company—typically 0.25% to 1.00% of your account value annually. This compensates the advisor for ongoing service, portfolio reviews, and financial guidance. Trailer fees are embedded within the fund's management expense ratio (MER) and are not invoiced separately.

**Important:** Please review this disclosure carefully and direct any questions to your advisor. For complete product details, including guarantees, maturity options, and investment objectives, refer to the Fund Facts and Information Folder for your specific segregated fund contract.

## Client Acknowledgment

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By signing below, I acknowledge that my advisor has explained the compensation structures outlined above, and I understand the fees and charges associated with the segregated fund(s) I am purchasing.

### Client(s)

PRINT NAME

SIGNATURE

DATE

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PRINT NAME

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SIGNATURE

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DATE

### Advisor

PRINT NAME

SIGNATURE

DATE

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This document is for educational purposes and does not constitute financial advice.

Please refer to the Information Folder & Fund Facts for complete product details.