

# LINCLUDEN BALANCED FUND

## Key Operational Features<sup>1</sup>

### ➤ **Opening an Account:**

If you are interested in opening either a **non-registered investment account**, **Retirement Savings Plan<sup>2</sup>** or **Locked In Retirement Account**, complete an Investment Account Application. You can use a single Application to open more than one of the three types of accounts. For lump sum deposits, please make your cheque payable to Lincluden Balanced Fund. The cheque and all required information from an individual must be received by 4:00 p.m. in order to transact at that trading day's closing unit price. If it is received by Lincluden after 4:00 p.m. the Fund investment will be made at the unit price that will be determined as of the close of the next trading day.

A minimum initial investment of \$5,000 is required.

### ✓ **RRSP Transfers:**

- Complete Lincluden's Registered Plan **Record of Direct Transfer form T-2033**. Direct the completed T-2033 to your current plan holder and send your completed Investment Account Application to Lincluden. If it is possible to attach a photocopy of the T-2033 and/or a recent plan statement from your current registered plan, that would be helpful for follow-up by Lincluden. Please enclose that along with your Application. Lincluden will ensure the prompt transfer of your assets and will inform you directly when the funds are received.

*or*

- Alternatively, you may simply complete section 8 of the application and return it to Lincluden with your application. We will complete the T2033 on your behalf. Please recognize that this will delay the transfer process relative to the above option, but we would be pleased to deal with the paperwork if you like!

- ✓ **Lincluden's Regular Investment Plan** – You can authorize us to deduct an amount from your chequing account to buy units, monthly, quarterly, or semi-annually. A minimum periodic deduction of \$100 is required for participation in this plan. You have the choice of withdrawing the funds from your account on either the 15<sup>th</sup> of the month or the last business day. The investment in the Fund will be considered to have been made on that same date. We ask that you include a void cheque in order to most simply provide complete banking details.

<sup>1</sup> Please read the Prospectus carefully before deciding to invest. The Simplified Prospectus is a concise outline of what you should know about the Fund.

<sup>2</sup> If you are opening a personal RRSP account and a spousal RRSP account, you will have to complete two application forms.

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➤ **Additional Investment:**

An additional investment for either your regular investment account or your RRSP can be made by providing a **cheque payable to Lincluden Balanced Fund**. Kindly attach a note confirming the name on your account and/or account number – alternatively this information can appear directly on your cheque. The cheque should be delivered to:

Lincluden Mutual Fund Dealer Inc.  
1275 North Service Road West  
Suite 607  
Oakville, Ontario  
L6M 3G4

➤ **Fees and Expenses:**

For investment management services provided to you by Lincluden, you will pay a management fee directly to Lincluden. The management fee will be calculated and payable monthly. Sufficient units of the Fund will be redeemed at net asset value per unit in order to satisfy payment.

The assets are combined for all accounts invested in the Lincluden Balanced Fund on a *'per household basis'*. Please advise if there are family members living at the same address with different surnames so we can ensure the appropriate fee level is applied. The per annum management fee rate, calculated on the total month end market value of your investment account(s) is:

Market Value of Account	Fee <sup>2</sup>
\$ 5,000 to \$99,999	1.75% per annum
\$100,000 to \$249,999	1.50% per annum
\$250,000 to \$749,999	1.25% per annum
\$750,000 and over	0.75% per annum

Operating expenses necessary to run the Fund are generally paid by the Fund.

➤ **Communications:**

- ✓ Confirmation of Transactions – A statement confirming deposits and redemptions will be mailed to you within four business days of the transaction date.
- ✓ Quarterly Statement – Following the end of each quarter, a statement will be mailed to you within 10 business days. All activity during the quarter, including distributions and management fees will be clearly presented.
- ✓ Quarterly Investment Review – A report discussing our economic and financial market outlook and portfolio strategy will be in the mail to you by the 15<sup>th</sup> day following each quarter end.

<sup>2</sup> plus GST

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- ✓ Tax and RRSP Contribution Receipts – An official RRSP contribution receipt will be mailed to you by the end of January of the following year, for contributions made between March and December. A receipt for January and February contributions will be mailed before the end of March. A T-3 supplementary, providing the tax detail of the prior year’s distributions allocated to you, will be mailed by the end of February.
- ✓ **Direct** – We are available to speak to you at your convenience. **Lynn Eplett (905-825-2227/1-800-532-7071)** is our **Vice-President, Client Services**. She’d be pleased to answer your market related questions and to discuss your investment program. **Ruth Chan, Administrator, Client Services (905-825-2226)** is available to discuss your account activity. We do hope to have the opportunity to develop direct contact with you.

➤ ***Unit Values and Distributions:***

The Fund is valued on a daily basis, allowing you to complete transactions on a basis that best suits you. Fund **unit values** are reported in the financial press daily. Unit values have also started to appear in electronic media including distributors such as Globe & Mail (globefund.com), Morningstar Canada (morningstar.ca), and National Post (nationalpost.com).

Net income earned on the Fund’s investments is distributed on the last business day of each quarter to unitholders of record. Record date for distributions is the day preceding the actual distribution date. When the Fund distributes net income to unitholders, the Net Asset Value (NAV) per unit of the Fund will decrease by the amount of the income distribution. Keep in mind that the total market value of an account will not be affected as a result of an income distribution, as the income distributed by the Fund is automatically reinvested for unitholders in additional units.

It is anticipated that net capital gains realized from the sale of securities within the Fund during the year will be distributed on the last business day of the year. However, that distribution may occur more frequently during the year, as deemed appropriate by Lincluden.

➤ ***Selling Units:***

If you require funds from your account, we ask that you provide us with a signed request. This request must be received by 4:00 p.m. in order to receive that trading day’s closing unit price. If it is received by Lincluden after 4:00 p.m., your units will be redeemed at the unit price that will be determined at the close of the next trading day. A cheque will be issued and mailed three business days thereafter.

We can arrange to have the proceeds deposited to your bank account<sup>3</sup>.

<sup>3</sup> This option is only available for redemptions processed on the last business day of the week or the month. We require one business day notice prior to the redemption date. The funds will be deposited to your bank account three business days after the redemption date.

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- ✓ ***Lincluden's Periodic Income Plan***<sup>4</sup> - If you require regular payments from your Lincluden account, you can authorize us to credit your chequing account periodically. At your request, we will sell units monthly (on either the last business day of the month or the 15th of the month<sup>5</sup>), quarterly, semi-annually or annually on your behalf and make an automatic deposit in your chequing account.

➤ ***Safety of your Investment:***

Different kinds of securities held in a mutual fund carry varying amounts of risk. An investment in the Fund means that the value of your units may be worth more or less than the value of your units at the time of your original purchase. If the unit price of the Fund declines from the price at which you purchased units of the Fund, and you sell your units, you will lose money. History demonstrates that the longer you hold units of a fund, the greater the chance your investment will increase above the original purchase price.

- ✓ ***Fund Custodian and Valuator*** - CIBC Mellon Global Securities Services Company has been appointed as the global custodian of the Fund. The custodian provides securities safekeeping, trade settlement, income collection, valuation, and reporting services essential to the effective administration of the Fund. They have responsibility for calculating the net asset value of the Fund, including distributions.
- ✓ ***RRSP Trustee*** - CIBC Mellon Global Securities Services Company has been appointed Trustee of the Retirement Savings Plan. The arrangement allows investors the opportunity to hold units of the Lincluden Balanced Fund within a retirement savings plan. The terms and conditions of the Plan are set out in a Declaration of Trust.
- ✓ ***The Auditors*** - Ernst & Young have been appointed the Fund's auditors. In this role, Ernst & Young will audit the financial statements of the Fund and express their opinion in an annual report to the unitholders, whether the Fund's financial statements present fairly, in all material respects, the investment portfolio, financial position, results of operations and changes in net assets of the Fund in accordance with generally accepted accounting principles.

<sup>4</sup> Please note: to subscribe to this service, you must have a minimum of \$25,000 in your Lincluden account.

<sup>5</sup> If the 15th falls on a non-business day, the redemption will occur on the first business day that follows the 15th.

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