

Your Investment Policy Statement

Investing is always purpose driven, whether it's buying your dream cottage, seeing your children graduate, or ensuring that your golden years are nothing but golden. A tailored plan is essential to ensure that your unique goals come to fruition.

Your Evolution Investment Policy Statement does just that, by laying out investment, tax and financial strategies designed for your individual situation.

This document showcases your advisor's recommendations, along with the wealth of knowledge and support CI Investments provides to create a unique and tax-efficient investment portfolio that is engineered to be as dynamic as you.

Your Investment Policy Statement outlines your course by:

- clearly defining your goals and how much risk you are prepared to take;
- addressing tax concerns through investment strategies and tax-efficient investments;
- consolidating your family's registered and non-registered investments under one single plan;
- identifying your asset allocation strategy — the percentage invested in various asset classes;
- presenting your optimized investment portfolio, led by your selection of award-winning managers; and
- identifying the range of returns you could expect from your portfolio over time.

Since your Investment Policy Statement is designed to reflect your current personal and financial situation, your advisor will meet with you regularly to make sure that it stays current, with regular reviews and updates to incorporate any significant changes in your life. This will ensure that your Investment Policy Statement continues to be right for you.

Prepared for:

Mr. & Mrs. Evolution Client
Your Address

Prepared by:

Your Advisor
Address
416-681-0000
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Your Investment Policy Statement

Introduction

Your Investment Policy Statement explains the detailed investment strategy we have tailored to your personal circumstances and is part of a consistent, disciplined investment strategy to help you preserve and grow your wealth over the long term.

This Investment Policy Statement identifies your investment goals, sets out the combination of asset classes for your portfolio and outlines the long term average annual return.

The Investment Policy Statement has been created based on the Investor Profile Questionnaire you recently completed, including your portfolio, style and country-allocation preference selections. It recommends a portfolio that has been designed to meet your unique goals and needs.

Your investment profile

Some of the following points are described in greater detail on the following pages.

Below is a summary of the responses you provided in the Investor Profile Questionnaire:

You are 56 to 65 years old and your spouse is 56 to 65 years old.

Your current investment time horizon is 6 to 10 years.

Your investment knowledge is good.

Your portfolio will be used predominantly to fund your future retirement.

You're currently saving 4% to 9% of your income.

You expect to withdraw 0% of your portfolio in the next three years.

Your portfolio objective is modest growth.

Your growth vs. preservation of capital objectives are 50% preservation of capital and 50% growth of principal.

Your willingness to accept risk to achieve greater potential returns is low to medium.

Your willingness to tolerate a quarterly decrease is medium.

You are willing to tolerate a cumulative decrease of up to 10%.

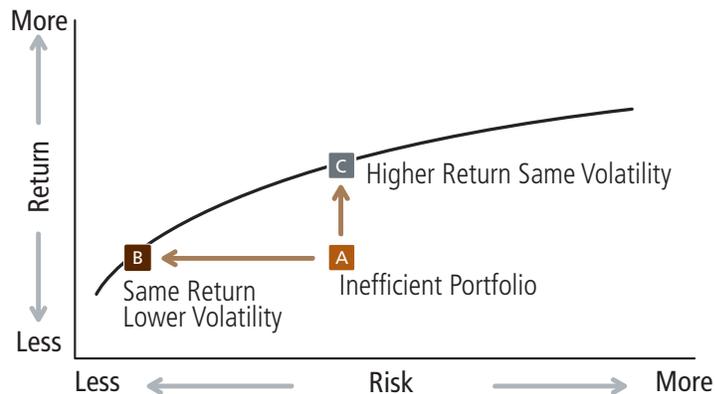
If your portfolio declined 25%, you would be forced to scale back your lifestyle and re-evaluate your goals.

Your country-allocation preference is standard.

Creating an “efficient” portfolio

CI Multi-Asset Management uses an established investment process known as postmodern portfolio theory to help determine your optimal portfolio. The process begins with a multi-faceted analysis of the risk-return relationship for various combinations of asset classes used in the Evolution Private Managed Accounts program.

The efficient frontier is a graphical representation of the results of this analysis. It consists of a series of “efficient” portfolios – those expected to produce the highest returns at each level of risk. Together, these efficient portfolios form a curve on a graph that sweeps up to the right.



“Inefficient” portfolios are located below the line (point “A”). By shifting an inefficient portfolio up toward the efficient frontier, you can increase your expected return without adding risk. Alternatively, you can shift an inefficient portfolio left toward the efficient frontier to reduce risk without giving up potential return.

A sudden change in market conditions should not affect your target asset mix as long as it remains consistent with your overall long-term investment strategy.

Your portfolio objectives

You have indicated that modest growth best describes your investment objectives.

In general, the more sensitive you are to short-term volatility, the greater the proportion of fixed income investments you will need in your portfolio. This also means a lower potential for growth over the long term. The greater your preference for growth of capital, the more equity you will need in your portfolio.

The increased risk offers the potential for greater growth over the long term.

Your portfolio objective is 50% preservation of capital and 50% growth of principal.

A major concern for high net worth investors is capital preservation while still generating enough capital appreciation to achieve their long-term goals. Your recommended portfolio has been carefully constructed to minimize potential declines without limiting the potential upside.

Your investment time horizon

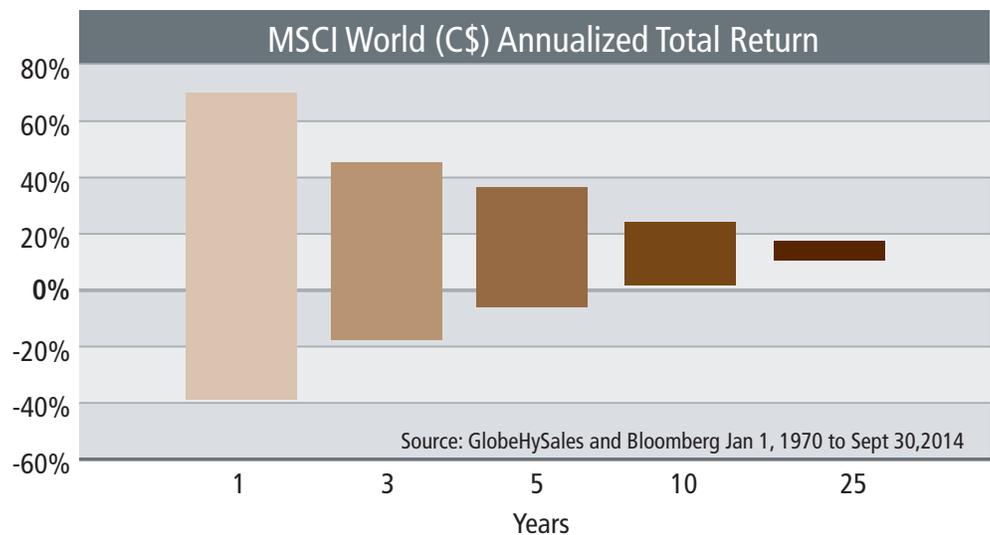
Your current investment time horizon is 6 to 10 years.

Your investment time horizon is the length of time you plan to keep the majority of your funds invested in your portfolio. It can significantly influence how your portfolio is structured.

Your investment horizon reflects your goals and depends on things such as:

- When you plan to make a large expenditure (e.g. a vacation property).
- When and for how long you will need to withdraw funds from your portfolio.
- When you expect your heirs will need access to the capital you leave them in your estate.

In general, the longer you remain invested, the less variability in average returns you can expect and the lower the potential for a cumulative loss. Based on market history, the degree of market fluctuations can be expected to be significantly greater over a one-year period than over longer time periods. The chart below shows that as investment periods increase to three, five, 10 and 25 years, the variability in average returns is reduced.



Your complete
customized
portfolio

Asset Class and Fund Name	Fund Style	Target %
Income		33%
Canadian Fixed Income	Blend	21%
Global Fixed Income	Blend	6%
Enhanced Income	Blend	6%
Real Estate		7%
Real Estate Investment	Blend	7%
Canadian Equity		22%
Cambridge Canadian Equity	Blend	8%
Canadian Equity Value	Value	5%
Canadian Equity Alpha	Alpha	5%
Canadian Equity Small Cap	Blend	4%
US Equity		20%
Synergy American	Growth	6%
US Equity Value	Value	5%
US Equity Alpha	Alpha	5%
US Equity Small Cap	Blend	4%
International Equity		18%
International Equity Growth	Growth	5%
International Equity Value	Value	4%
International Equity Alpha	Alpha	4%
Emerging Markets Equity	Growth	5%
	TOTAL	100%

Implementing your portfolio

We will manage your investment portfolio by providing the following services:

- Tax-efficiently dividing your assets, so that heavily taxed investments are in registered accounts and other investments are placed in CI Investments tax-advantaged Corporate Class shares in non-registered accounts.
- Rebalancing your portfolio back to your recommended asset mix.

Tax optimization

Your portfolio can have all the right investments, but if it isn't properly organized from a tax point of view, you could pay more tax than necessary. Once the optimal asset allocation for your portfolio is determined from an investment perspective, we will take your portfolio one step further and optimize it from a tax perspective.

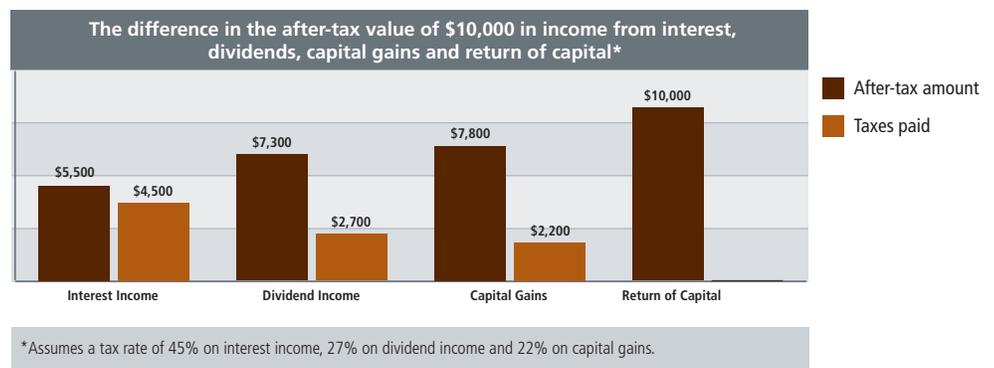
We will divide your assets among family accounts so that heavily taxed investments are sheltered in registered plans, while the other investments are placed in non-registered accounts, which also benefit from tax efficiencies through the use of CI Investments' Corporate Class shares. Our Corporate Class shares are part of a corporation with multiple share classes that generate tax-efficient capital gains or Canadian dividends from all funds regardless of mandate.

Where the recommended asset mix permits, we will also optimize the portfolio based on marginal tax rates, with the investments with more favourable tax treatment being placed in the accounts of the higher income earners within the family group.

T-Class offers tax effective cash flow

You have indicated that you require cash flow from your non-registered assets as part of your investment objective. We provide this cash flow to you tax-effectively through the use of our T-Class platform, which is built within our corporate class structure.

Through T-Class, we can generate a monthly tax-deferred cash flow. T-Class was designed to take advantage of the fact that different types of income are taxed at different rates. T-Class payments are paid out in the form of return of capital (ROC), whenever possible, and are not taxable because they represent the return of your original capital. This results in an after-tax cash flow that is significantly higher than it would be with other forms of income. Please note that T-Class also may pay a taxable annual dividend.



Separately managed allocation

You have indicated you would like to segregate a portion of your Evolution assets and invest them separately.

Our separately managed allocation allows you to hold assets as part of your Investment Policy Group without having them within the actively managed portion of your asset mix outlined on page five. This benefits you by simplifying and consolidating your investments by combining two portfolios with separate objectives within the same group.

Your separately managed allocation will not be rebalanced as part of the aforementioned asset mix; however, each mandate you hold will be actively managed by its respective portfolio manager. The amount allocated to your separately managed fund(s) will be reported in a separate section on your consolidated quarterly statement.

Rebalancing your portfolio

The asset classes in your portfolio will respond differently to market conditions, which will cause them to have varied performance at different times. As a result, your portfolio may shift from its optimal asset mix. This can add undue risk or cause your portfolio to miss out on the potential for higher returns.

As part of the Evolution Private Managed Accounts program, your portfolio will be constantly monitored and tax-efficiently rebalanced, when necessary, to ensure that the recommended asset mix is maintained. Rebalancing not only restores your optimal asset mix, but also provides the discipline to “buy low” and “sell high,” allowing your portfolio to benefit from market movements and smooth out the effects of market volatility.

Transactions initiated through this rebalancing service will be reported on your quarterly statement.

Performance expectations

In general, the lowest-risk portfolio available to investors consists entirely of government-issued treasury bills (T-bills). The return on 91-day Canadian government T-bills is known as the “risk-free rate.”

However, higher returns than the risk-free rate are often needed to achieve long-term objectives. Investors can expect to be rewarded with higher long-term rates of return by adding other investments such as stocks and bonds to their portfolio, but this also adds volatility as their values fluctuate more widely than those of T-bills. The increased risk associated with higher returns means it is likely that the portfolio could, at times, experience lower returns than the risk-free rate and/or actual declines in value.

Expected future returns

Since stocks and bonds are expected to earn a return premium above T-bills over time, one way to look at performance is to compare how well a portfolio performs against the risk-free rate. The long-term rate of return a portfolio can be expected to earn above the risk-free rate is known as the managed account premium “MAP.”

The long-term MAP for an asset mix like yours is expected to be between 2.41% and 4.41%. In other words, our analyses suggest that your asset mix is capable of generating between 2.41% and 4.41% more, on average than T-bill rates in effect in the long run. It is based on our analysis of historical market trends, the current capital market environment and input from one of the world’s leading pension and institutional consultants. Your MAP is the expected reward for choosing to accept some investment risk.

With a forecasted risk-free rate of 2.1%, we expect that over time, an asset mix like yours could be expected to earn an average annual return between approximately 4.51% and 6.51%.

Long-term growth potential

Investors also want to have some comfort that they are protected against a loss of purchasing power over time. Accordingly, your portfolio's real return (actual return less an inflation assumption of 2.2%) is expected to be 3.31%.

Maintaining your strategy

CI Investments will provide the following services to maintain your investment strategy:

- Review and rebalance your portfolio. Your portfolio's asset mix will be monitored and rebalanced, when necessary, to maintain the recommended asset mix set out in this Investment Policy Statement.
- Monitor the investment managers on an ongoing basis to ensure they adhere to the investment discipline they were hired for and your portfolio performs as expected.
- Provide you with consolidated quarterly portfolio reports. These comprehensive reports highlight your asset mix, the investments you hold, portfolio activity and your personal rates of return. This allows you to measure the progress of your portfolio.
- Provide you with a simplified tax-reporting package each year for your taxable accounts.
- Monitor the investment and tax environments and periodically implementing asset mix adjustments to ensure that your portfolio takes advantage of any major economic developments.

Your Investment Policy Statement is a key component of your personal investment strategy.

Reviewing your strategy

We will review your portfolio and investment strategy to ensure that they continue to meet your goals and needs. If there is a change in your personal or financial situation, or your investment strategy, your advisor can update your Investment Policy Statement to reflect that.

We look forward to helping you invest wisely to create wealth and prosperity for you and your family.

Investment Policy Statement Acknowledgement

Having completed the Evolution Private Managed Accounts Questionnaire, I acknowledge that:

1. The information provided in the questionnaire that generated the aforementioned asset mix in my IPS is accurate as of the date below.
2. I understand that changes in my financial situation may result in the need for an updated IPS.

I understand the importance of keeping my IPS updated and will notify my advisor of any material changes to my financial situation.

Client name: Mr. Evolution Client

Client signature: _____

Client name: Mrs. Evolution Client

Client signature: _____

Date: (MM/DD/YYYY)

To the advisor:

You have now reviewed the Investment Policy Statement and resulting asset mix with your client(s) and you have completed it together. Please sign below and record the date confirming for our staff that you are satisfied the information provided is thorough and accurately reflects the personal financial situation, attitudes and investment objectives of your client(s).

Advisor signature: _____

Date: (MM/DD/YYYY)

Dealer/Rep code: 9999-0000 Phonenumber: 416-681-0000

Fax number: 416-681-0000

E-mail address: youradvisor@assante.com

Commissions, trailing commissions, management fees and expenses may all be associated with mutual fund investments and the use of an asset allocation service. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus of the mutual funds in which investment may be made under the asset allocation service before investing.

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Appendix

Important information

A number of tables, charts and return figures are included in your Investment Policy Statement.

Unless otherwise noted, they are based on the following information:

- Portfolio statistics are based on returns for the following indexes: DEX 91-Day T-Bill, DEX Short Bond, DEX Universe Bond*, Citigroup World Government Bond (C\$)*, DEX High Yield Bond, S&P/TSX 60, S&P/TSX Composite, S&P/TSX subindices, BMO Nesbitt Burns Small Cap; S&P 500 (C\$), Russell 2000 (C\$), Morgan Stanley Capital International Europe, Australasia and Far East (C\$), Morgan Stanley Capital International Emerging Markets (C\$), and North American Real Estate Income Trusts Equity (C\$). *Suitable proxies are used for periods before the benchmark was created.
- Historical returns and return expectations have not been adjusted for:
 - taxes on income and capital gains
 - any commissions, management fees or operating expenses and applicable taxes
 - any return premium as a result of active investment management
 - any return premium due to portfolio rebalancing
 - any return premium associated with a particular investment style.

Unless otherwise noted, the graphs in this Investment Policy Statement have been generated by CI Multi-Assest Management's analytical software models. Please note that past returns are no guarantee of future returns. This Investment Policy Statement relates only to assets managed under the Evolution Private Managed Accounts program and was constructed as a result of information obtained from your Investor Profile Questionnaire and, if any, fund substitutions recommended by your advisor. This Investment Policy Statement is meant to provide an asset mix recommendation that is appropriate based on the information you provided. The complexity of your specific personal situation may require additional financial and planning analysis to determine the ultimate suitability of the recommendations in this Investment Policy Statement with regard to achieving your overall life goals. Your advisor can assist you in this process.