



SSQ Guaranteed Investment Fund Guarantees

For individual plans
For guarantees effective as of November 26, 2012

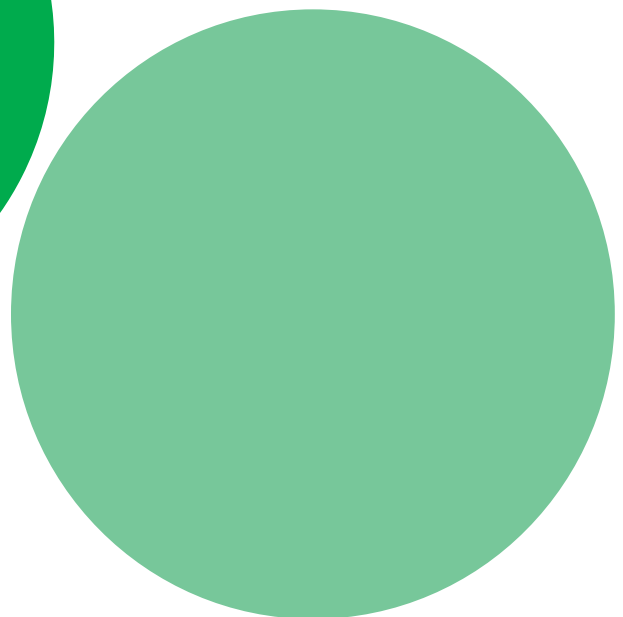




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Investment funds offered by insurance companies are called “segregated funds” simply because they are managed separately from company assets. Segregated funds are similar to mutual funds offered by banks and investment companies and offer a wide range of investment opportunities and high return potential.



SSQ GIFs provide capital protection

Insurance companies have their own regulatory bodies and legislation. Unlike mutual funds, their investments funds offer **unique characteristics** such as **guarantees that protect capital upon maturity and upon death**.

At **SSQ Insurance** investors are guaranteed, without additional fees, 75% of their capital upon maturity and 75% upon death on all investments in SSQ GIFs. If you wish, for an additional fee, you may increase your guarantee option and insure 100% of your capital upon maturity or 100% upon death.

In addition, **segregated funds may protect your assets in the event of personal bankruptcy**. Contracts issued by insurance companies usually allow you to protect your assets in the event of bankruptcy, when you designate your spouse or child as your beneficiary.



SSQ Guaranteed Investment Funds (GIF)
offer growth potential and capital preservation.

SSQ GIFs offer a variety of excellent investment options

Our guaranteed investment funds are:

- managed by some of the most reputable management firms specializing in investment funds
- carefully selected to offer a broad range of complementary management styles
- continually evaluated in terms of performance and compliance with investment policies.

By doing business with us, you have the opportunity to choose the best management firms and funds!

Summary of guarantee options

We offer guarantees for the contributions made by the investors to SSQ GIFs. These guarantees ensure that the investor receives a given minimum percentage of contributions upon the maturity of the guarantee and upon the death of the annuitant. **Three guarantee options are available: basic guarantee, enhanced guarantee and optimal guarantee.** Each of these options provides for a guaranteed value upon maturity and upon death. The basic guarantee option is currently offered without additional fees.

Only one guarantee option may apply at a time per contract, but it is possible to change your guarantee option at any time (refer to section *Change to the guarantee option* for details). **The key features of the guarantees are provided in this document. All details are included in the *Information Folder*.**

How to select a guarantee option

By offering three guarantee options you can select the product that fits perfectly with your needs. Depending on your investor profile and where you are in your financial plan, different needs may become more of a priority.



Not all investors' needs are alike. With three guarantee options available to you, you are sure to reach your investment objectives.

Below are some examples of investment objectives along with the best suitable guarantee option. However, it's important to remember that each situation is different and that an individual assessment is necessary to determine the best option for you. And as needs change, investors have the flexibility to change their guarantee option in order to increase their level of capital protection upon maturity or upon death.

Investment objectives	Guarantees		
	Basic	Enhanced	Optimal
Grow your investment capital in the long term	X		
Above all, maximize returns	X		
Access to specialty funds	X	X	
Better protection in the event of death while enjoying growth-oriented investment options		X	
Maximum capital preservation upon maturity AND upon death			X
Protection from market downturns			X
Possible growth of the guaranteed amount upon maturity based on market gains		X	X
Possible growth of the guaranteed amount upon death based on market gains		X	X
Protection of assets in the event of bankruptcy	X	X	X
Facilitate the transfer process to the beneficiary following death	X	X	X

Basic guarantee

- A basic guarantee, without additional fees, to maximize returns
- **75%** guarantee of net contributions to funds upon maturity, and **75%** upon death
- Targets mainly younger investors looking for asset growth and a wide selection of investment products.

Guarantee upon maturity	Guarantee upon death	Resets/ maturity	Resets/ death	Additional guarantee fees	Funds permitted
75%	75%	No	No	None	All

Enhanced guarantee

- An enhanced guarantee with resets options to protect capital
- **75%** guarantee of net contributions to funds upon maturity, and **100%** upon death
- Targets mainly investors who want to increase their protection in the event of death while maintaining a growth objective.

Guarantee upon maturity	Guarantee upon death	Resets/ maturity	Resets/ death	Additional guarantee fees	Funds permitted
75%	100%	Yes, upon request twice a year	Yes, automatic every 3 years	Yes	All

Optimal guarantee

- An optimal guarantee¹ with reset options to protect capital
- **100%**² guarantee of net contributions to funds upon maturity, and **100%** upon death
- Targets mainly investors who regard capital protection as priority and who are concerned about market downturns.

Guarantee upon maturity	Guarantee upon death	Resets/ maturity	Resets/ death	Additional guarantee fees	Funds permitted
100% ²	100%	Yes, upon request twice a year	Yes, automatic every 3 years	Yes	All, except specialty funds

¹ As of June 1, 2017, only the front-load sales charge and no load options are available for new regular contracts with optimal guarantees.

² Contributions made during the 15-year period preceding planned maturity are guaranteed at 75%.

This document covers the SSQ GIF guarantees, except in the case of SSQ Guaranteed Income and SSQ Equity GIA, which offer different features.

Guarantee upon maturity

Maturity date of the guarantee

For the **basic** guarantee, the maturity date corresponds to the annuitant's 100th birthday. For the **enhanced** and **optimal** guarantees, the maturity date depends on the annuitant's age when the initial contribution to funds is made, such as indicated below. Subsequent contributions made to the same contract do not affect the maturity date. The application date of the guarantee upon maturity is established separately for each contract.

For example, John contributes for the first time at age 62 and two months. His maturity date is exactly 15 years later, that is, at age 77 and two months.

Guarantees	Basic	Enhanced and optimal	
		Age at initial contribution	Maturity date
Maturity date*	Age 100	Up to age 55	At age 70
		Starting at age 55 plus 1 day	15 years after the first contribution

* Maturity dates for LIRAs, LIFs and LRIFs in Newfoundland/Labrador may be different. Please refer to the *Information Folder*.

Guaranteed value upon maturity

For the **basic** and **enhanced** guarantees, the guaranteed percentage is 75% of the contributions made. For the **optimal** guarantee, the guaranteed percentage depends on the time each contribution is made, as indicated below. In any case, redemptions lead to a reduction, in proportion, of the guaranteed amount (refer to section *Other guarantee features* for examples of the impact that redemptions have on the guaranteed amounts).

Guarantees	Basic	Enhanced	Optimal	
			Contribution date	Guaranteed percentage
Guaranteed value upon maturity	75%	75%	15 years or more before maturity	100%
			At renewal	100%
			At any other time	75%



Resets allow you to take advantage of market upswings to increase your guaranteed amounts.

Reset of the guaranteed value upon maturity

Upon request and with the use of the appropriate form (FRA727), it is possible to reset the guaranteed value upon maturity twice per calendar year, **for the enhanced guarantee or the optimal guarantee** only, up to the time the annuitant reaches age 85.

A reset establishes the value guaranteed upon maturity to the market value in effect at the time of the reset, provided this value exceeds the guaranteed value upon maturity. Subsequent contributions or resets, if any, are added to this value.

The guaranteed value upon death will not be affected by this reset. **The maturity date of the guarantee is recalculated as if it were a first contribution.**

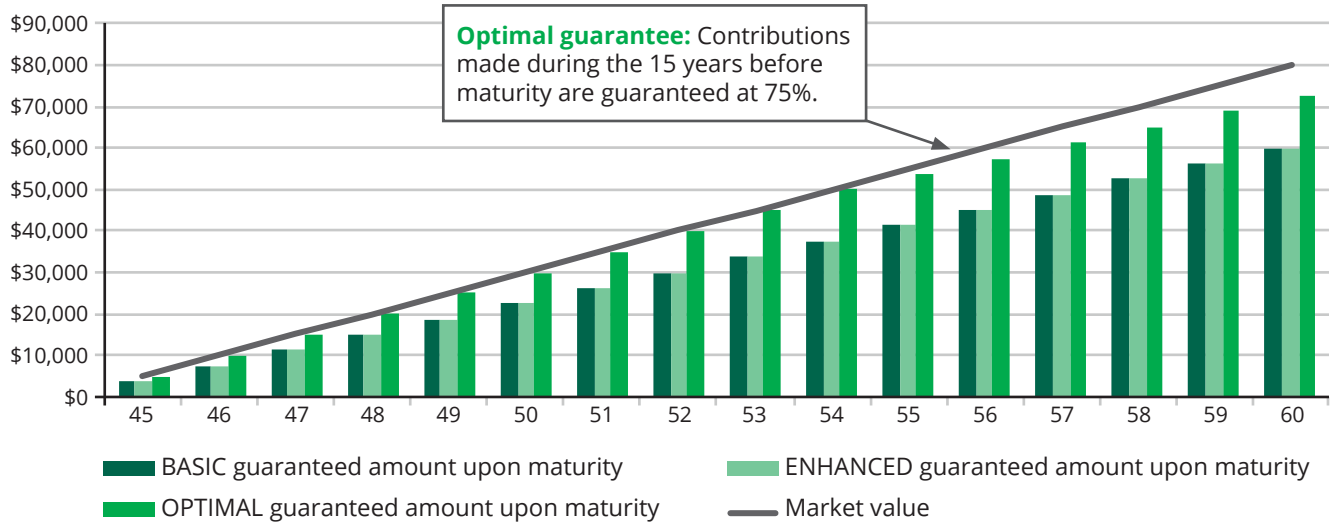
Guarantees	Basic	Enhanced and optimal
Reset of the guaranteed value upon maturity	None	<ul style="list-style-type: none"> • Upon request • Maximum twice per calendar year (maximum age 85*) • The maturity date is recalculated as if this were a first contribution

* The maximum age for LIRAs, LIFs and LRIFs in Newfoundland/Labrador may be different. Please refer to the *Information Folder*.

Guaranteed value upon maturity: Examples

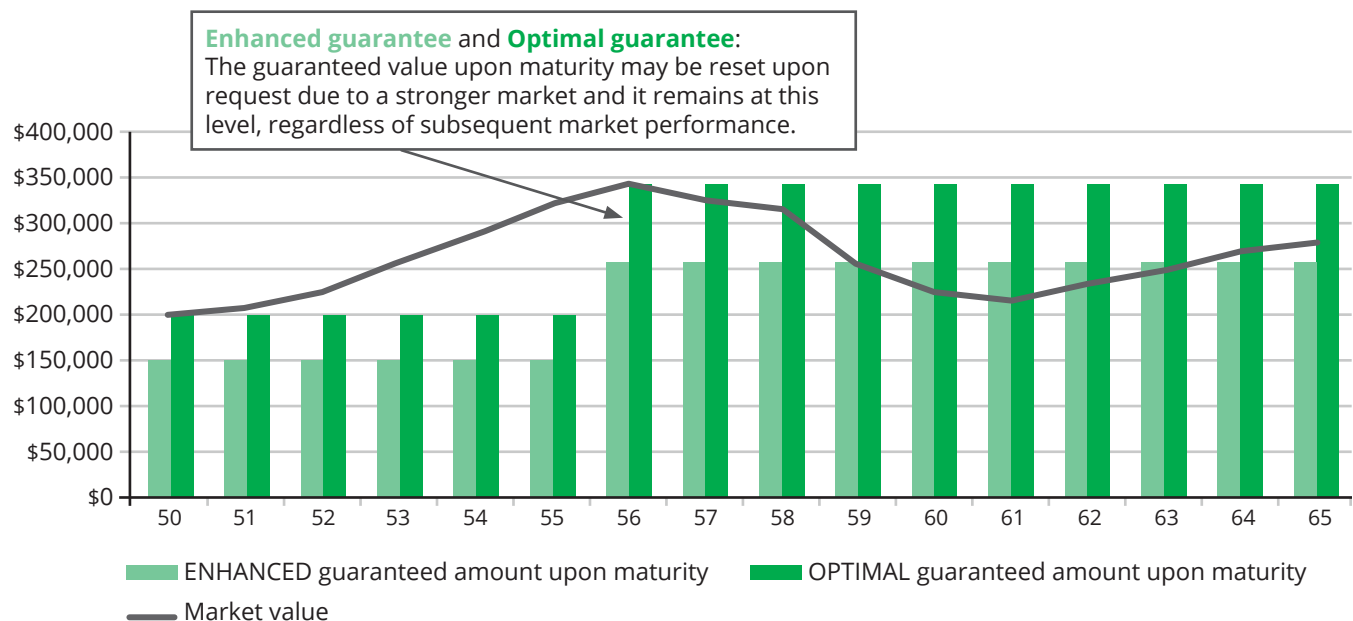
Guaranteed value upon maturity (without resets)

An investor who invests for the first time at age 45, contributes \$5,000 every year for 15 years. In this example, the value of the investments does not change throughout the entire period in question. During this period, the amount guaranteed upon maturity behaves as follows. After the 15th year, the amount guaranteed upon maturity for the optimal guarantee option is \$72,500.



Guaranteed value upon maturity (with resets)

An investor aged 50 contributes \$200,000 and does not make any withdrawals for 15 years. After the sixth year, the market value has increased significantly and the investor requests a reset of the amount guaranteed upon maturity. The amount guaranteed upon maturity for the enhanced guarantee option has increased to \$257,603 due to the resets. The amount guaranteed upon maturity for the optimal guarantee option has increased to \$343,470 due to the resets. In this example, the maturity date changed from age 70 to age 71.



Guarantee upon death

Guaranteed value upon death

The **basic** guarantee covers 75% of the contributions made. For the **enhanced** and **optimal** options the contributions made are guaranteed at 100%.

In any case, guaranteed amounts are reduced in proportion to redemptions made (refer to section *Other guarantee features* for examples of the impact that redemptions have on the guaranteed amounts).

Guarantees	Basic	Enhanced	Optimal
Guaranteed value upon death	75%	100%	100%

Reset of the guaranteed value upon death

In the case of the enhanced and the optimal guarantees only, resets are automatically made every three years on the contract anniversary date, up to the time the annuitant reaches age 80.

This reset establishes the value guaranteed upon death at the market value in effect at the time of the reset, provided this amount exceeds the value guaranteed upon death. Subsequent contributions or resets, if any, are added to this value.

The guaranteed value upon maturity is not affected by this reset.

Guarantees	Basic	Enhanced and optimal
Reset of the guaranteed value upon death	None	<ul style="list-style-type: none">• Automatic• Every three years up to age 80• One last reset is made at age 80

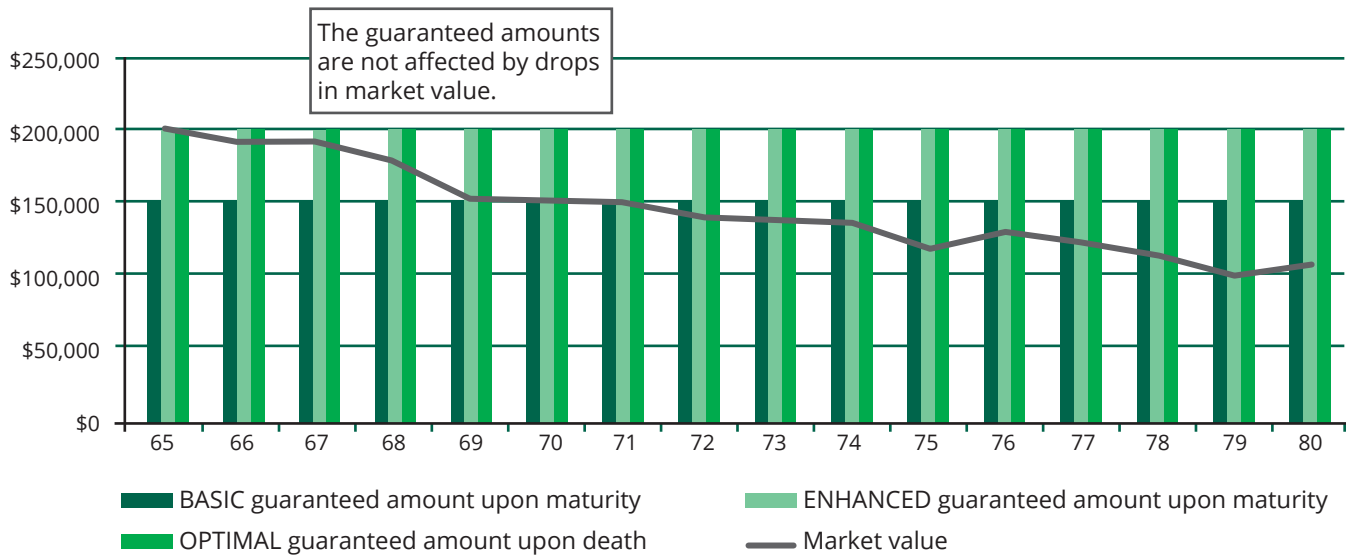


For the enhanced and the optimal guarantee options, automatic resets of the value guaranteed upon death allow you to take advantage of market upswings.

Guaranteed value upon death: Examples

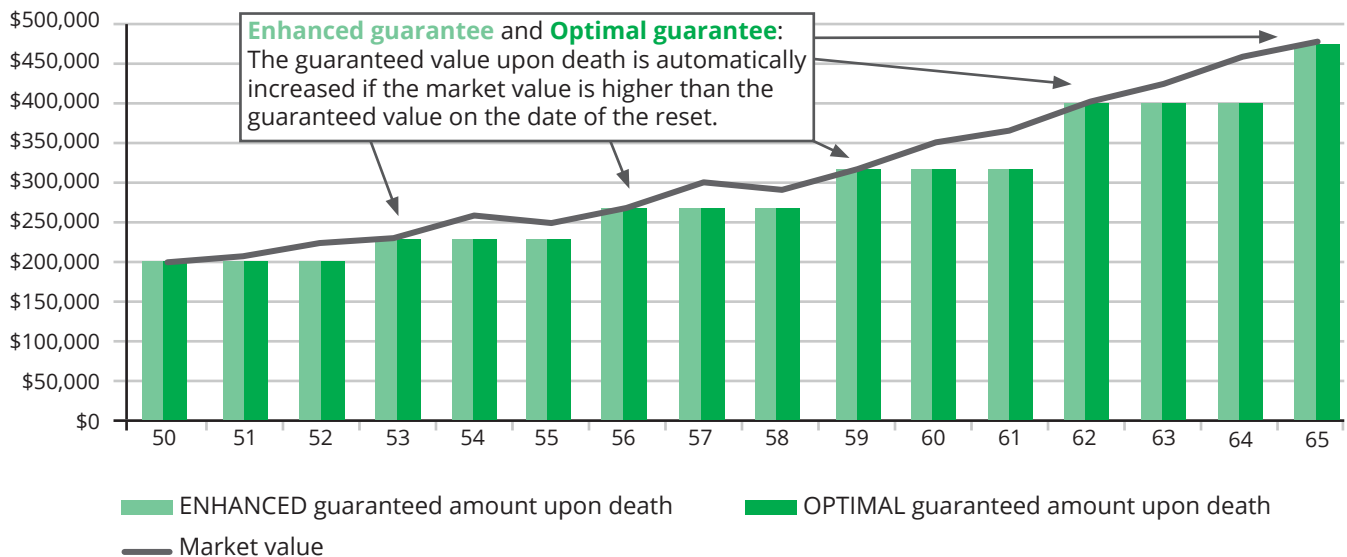
Guaranteed value upon death (without resets)

An investor aged 65 contributes \$200,000 and does not make any withdrawals for 15 years. In this example, the value of the investments decreases throughout the entire period in question. Regardless of the value of the investments, the amount of the guarantee upon death behaves as follows during this period.



Guaranteed value upon death (with resets)

An investor aged 50 contributes \$200,000 and does not make any withdrawals for 15 years. In this example, the value of the investments increases throughout the entire period in question. After the 15th year, the amount of the enhanced and the optimal guarantees upon death comes to \$477,403 due to resets made every three years.



Other guarantee features

Maximum age

Contributions may be made up to the age limit indicated as follows. Age limits apply to the annuitant designated in the contract.

Guarantees	Basic	Enhanced	Optimal
Maximum age for making initial contribution*			
RRSP and LIRA	Age 71	Age 71	Age 71
Other plans	Age 90	Age 75	Age 85
Maximum age to contribute*			
RRSP and LIRA	Age 71	Age 71	Age 71
Other plans	Age 100	Age 75	Age 100

* The maximum ages for LIRAs, LIFs and LRIFs in Newfoundland/Labrador may be different. Please refer to the *Information Folder*.

Impact of redemptions on guaranteed values

Guaranteed values upon maturity or upon death are decreased following a withdrawal. The reduction is calculated based on the ratio: withdrawal amount / market value of contract's funds at time of withdrawal.

For example, let's take an investor who contributes \$200,000 to a fund. On the assumption that value is guaranteed at 100% and that market value has increased, the impact of a \$50,000 withdrawal is as follows:

Event	Amount	Market value on this date	Guaranteed value
Contribution	\$200,000	\$200,000	\$200,000
			$= \$200,000 - (\$50,000 * \$200,000 / \$254,000)$
Withdrawal	\$50,000	\$254,000	$= \$200,000 - \$39,370$
			$= \$160,630$

If the market value goes down, the impact of the same \$50,000 withdrawal on the guaranteed value is as follows:

Event	Amount	Market value on this date	Guaranteed value
Contribution	\$200,000	\$200,000	\$200,000
			$= \$200,000 - (\$50,000 * \$200,000 / \$182,000)$
Withdrawal	\$50,000	\$182,000	$= \$200,000 - \$54,945$
			$= \$145,055$

Application of the guarantee

If, on the guarantee application date, the applicable guaranteed value (upon maturity or upon death) is greater than the total market value of all funds held in the contract for the applicable guarantee, SSQ Insurance will credit you an amount equal to the difference between these two values in the form of fund units.

Fund units are purchased in the same proportion as in the contract according to the no-load sales charge option.

Change to the guarantee option

It is possible to change your guarantee option once per 12-month period. Any change in the guarantee option results in the reset of all guarantees (upon maturity and upon death) to the market value in effect on the day of the change and establishes the new maturity date as if this was a first contribution under the guarantee option selected.

The *SSQ Guaranteed Investment Funds (GIF) Guarantee Option Change (FRA1175)* form must be used to change the guarantee option.

Renewal of the guaranteed value upon maturity

Upon maturity of the guarantee, a new guarantee period begins for the **enhanced** and **optimal** guarantees, as indicated below. The initial contribution considered for this guarantee renewal corresponds to the total unit market value on this date, including the guarantee payment made by SSQ Insurance, where applicable. The guarantee upon death continues and is not affected by this new guarantee upon maturity period. Renewals of the **basic** guarantee are not permitted.

For example, if a 46-year-old invests for the first time, his/her maturity dates are:

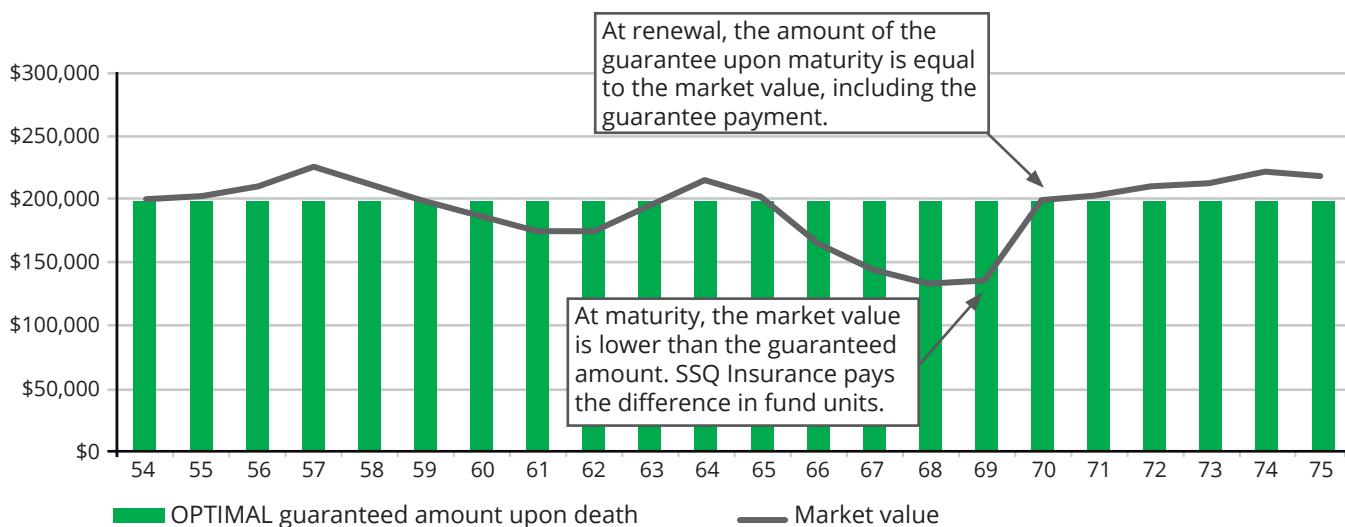
- First maturity date at age 70
- Renewal at age 70: second maturity date at age 85 (age 70 plus 15 years)
- Renewal at age 85: third maturity date at age 100 (age 85 plus 15 years)

Guarantees	Basic	Enhanced and optimal
Renewal of the guarantee upon maturity*	None	15 years after the renewal

* Maturity dates for LIRAs, LIFs and LRIFs in Newfoundland/Labrador may be different. Please refer to the *Information Folder*.

Renewal of the guaranteed value upon maturity: Example

Let's take an investor aged 54 who contributes \$200,000 in the optimal guarantee option, and who makes no withdrawals. At maturity (age 70), SSQ Insurance makes a guarantee payment equivalent to the difference between the market value and the guaranteed value, which increases the market value. At renewal, the amount of the guarantee upon maturity is equal to the market value. **All subsequent contributions are guaranteed at 75%.** The new maturity date is at age 85.



Segregated funds and fees

A wide range of funds is offered, including our excellent portfolio funds: the SSQ Strategy GIFs and the SSQ Celestia GIFs. The management expense ratios (MERs) of available funds are the same no matter which guarantee option is selected. They are expressed as an annual percentage of the fund's net assets, calculated daily and applied to the daily value of the fund's net assets.

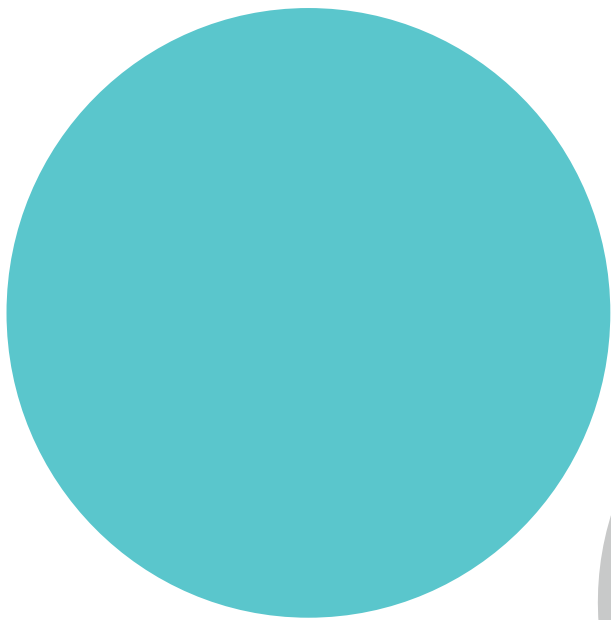
Guarantee fees include fees for the guarantees upon maturity and upon death. Guarantee fees are expressed as an annual percentage of net fund assets. They are calculated daily and are applied to the daily value of the fund's net assets.

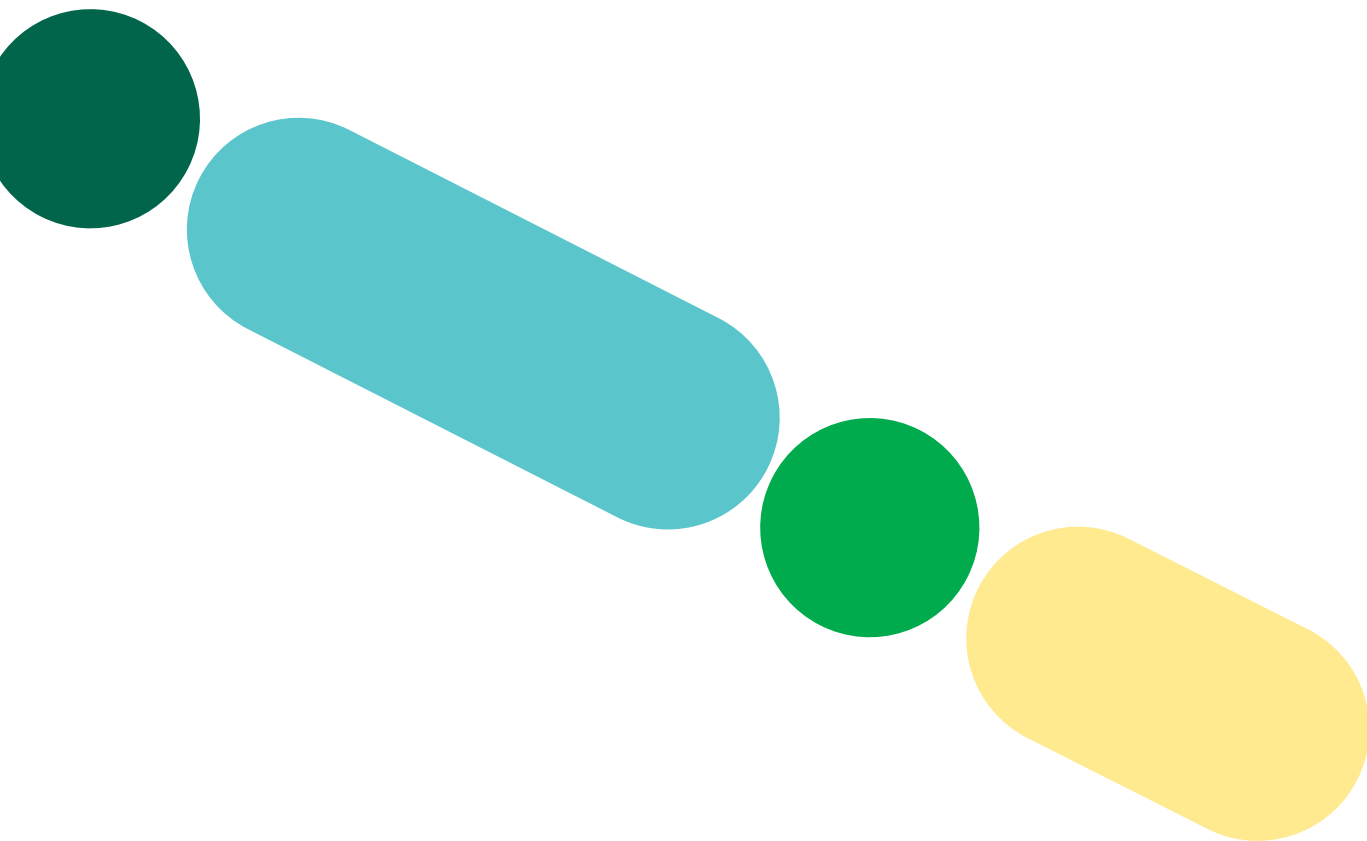
Please refer to *Fund Facts* for details about the different funds offered according to the guarantee option and guarantee fees.

The guarantees discussed in this document refer to SSQ GIFs only and exclude those of SSQ Guaranteed Income and SSQ Equity GIA.

The guarantees described in this document refer to contributions made by the investor. Fund returns are however not guaranteed. Except for guarantees offered upon maturity and upon death described in this document, any amount allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.

In the case of any conflict or inconsistency between a provision contained in the present document and the provisions contained in the *Information Folder*, the latter shall take precedence.





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