



Canada Life Charitable Giving Program

Program guide



This program guide contains important information to help potential investors make informed decisions about donating to the Canada Life™ Charitable Giving Program (program), a donor-advised fund offered through Quadrus Investment Services Ltd. (Quadrus) with the Strategic Charitable Giving Foundation (foundation). This guide explains the features and benefits of participating in the program.

The Strategic Charitable Giving Foundation:

- Establishes a donor-advised Canada Life Charitable Giving fund account (account) for each donor within the program.
- Deposits the proceeds of donations into the donor's account.
- Invests proceeds in an eligible Canada Life Mutual fund.
- Makes grants over time to a donor's favourite charities and other eligible charities.

The Strategic Charitable Giving Foundation has ultimate authority over the assets in the program but generally acts on donor (or parties authorized by the donor) recommendations with respect to naming the account and recommending: a financial advisor for the account, investments, eligible charities and how the account will be managed after the donor's death.

Participation in the program is subject to the laws applicable to Canadian charities, the terms and conditions of the documents creating and governing the foundation and this guide, as may be amended from time to time.

The Strategic Charitable Giving Foundation reserves the right to modify the terms and conditions of this program and any associated documents at any time and without notice. If there are inconsistencies between the terms of this guide and the foundation's governing documents, the foundation's governing documents will govern the rights and obligations of the program and its donors. Copies of the foundation's governing documents and policies are available on written request.

Strategic Charitable Giving Foundation

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1. Introduction to the program

A donor-advised fund program offered through the foundation

The Canada Life Charitable Giving Program (program) offers Canadians an easy and convenient way to manage their ongoing charitable giving and potentially leave a lasting legacy.

As donors, your clients can:

- Set up and name their Canada Life Charitable Giving Program account (account).
- Donate cash, securities or life insurance.
- Receive an official tax receipt for each donation.
 - Pay no capital gains tax on donations of qualified securities, such as publicly traded securities or mutual funds transferred in-kind to the foundation and receive a tax receipt for the full fair market value of the securities.
- Request a Canada Life authorized investment representative to help them select an eligible fund (Section 4, Investing through an account).
- Recommend yearly grants to eligible charities for their lifetime and after their death.
- Increase the amount that can be granted over time through the tax-free growth of the assets in the account.
- Simplify their charitable giving activities by consolidating their giving activities into one account.

About the Strategic Charitable Giving Foundation

The Strategic Charitable Giving Foundation (foundation) was established in 2006 and is a non-profit charitable corporation registered as a public foundation with the Canada Revenue Agency (CRA) and the Quebec Ministry of Revenue. It's governed by the *Canada Not-For Profit Corporations Act* and has accepted over \$305 million in donations.

The foundation manages charitable giving funds known as donor-advised funds to help donors increase and sustain their charitable giving. It receives and maintains charitable giving funds and applies all or part of the principal and income from those funds to eligible charities.

A board of directors (board) governs the foundation. Most directors are independent of Canada Life and its affiliates. The board has sole discretion over each account in the program and the activities relating to these accounts. It has ultimate authority over each account but generally acts on the recommendations

of the donor or parties authorized by the donor.

2. Establishing a program account

Opening an account

Individuals and organizations become donors by:

- Completing all applicable forms to open an account
- Making an initial irrevocable donation to the foundation of at least \$10,000
- Or a life insurance policy having a net death benefit of at least \$10,000 regardless of its fair market value.
- Donations of publicly listed securities and mutual funds can also be donated in-kind to eliminate unrealized capital gains.

Individuals may also arrange to open an account, or make a subsequent donation to an existing account, after their death (Section 3, Testamentary donations).

All forms for the program are available at Process Navigator>Investments>Quadrus Investment Services Ltd.>Charitable Giving Program or by calling the foundation at 1-866-445-6765 or emailing foundation@scgf.ca.

Joint accounts

Donors may name a second account holder, referred to as a joint account holder, to make recommendations for their account after their death or incapacity.

Naming the account

Donors may name their account with their family name or the name of someone they wish to honour. For example, The Johnson Family Charitable Account. Donors may use a generic name to allow for anonymous granting, such as The Fund for Charitable Giving. They may also use a name that reflects their charitable interests like: The Chan Family Charitable Account for the Arts, or The Michael Thomas Endowment for the Environment.

Donors cannot refer to their charitable account as a foundation as they aren't establishing a private foundation.

The foundation deposits donations in an investment account opened at Quadrus Investment Services Ltd. This investment account will be in the foundation's name and reference the account name, for example: Strategic Charitable Giving Foundation, re. The Johnson Family Charitable Account.

Authority to make recommendations for the account

Donors have sole authority to make recommendations for the account, unless they specify otherwise, in writing, to the foundation. This authority passes from the donor to the joint account holder (if any), and then to the successor (if any) in the event of the donor's incapacity or death, only after written notification and proof has been provided to the foundation (see Succession options).

Investment representative

Donors must propose a Quadrus authorized investment representative for their account to the foundation. Once accepted by the foundation, the investment representative is compensated for providing ongoing service to the account.

Succession options

You must recommend the succession option to the donor when setting up their account. Succession options include:

- A joint account holder
- A successor
- Standing grant recommendations
 - This option doesn't name anyone to make account decisions after the donor's death so the foundation will make those decisions.

Joint account holders assume the donor's authority for the account after the donor's death or incapacity. Joint account holders must select at least one succession option for the account after the donor's death if the donor didn't name a successor or make any standing grant recommendations.

Successors are named through a program application form or will and assume responsibility for account recommendations after the donor's death or incapacity. Successors only assume responsibility for the account after the death or incapacity of both the donor and joint account holder (if any). Successors must provide the foundation with written notice and sufficient proof of the donor's and joint account holder's deaths or incapacity before succeeding the donor and the joint account holder.

If a joint account holder or successor is a minor when the donor dies or is incapacitated, their parent or legal guardian makes recommendations on their behalf. Account privileges revert to the joint account holder or successor when they attain legal age of majority in the province or territory where they live, and when written notice and proof has been given to the foundation.

Standing grant recommendations made during the donor's life continue after the donor dies or is incapacitated if there are no surviving joint account holders or successors when the donor dies. Donors may provide standing grant recommendations to start after their death but this option isn't available if the account has a joint account holder or successor.

Joint account holders and successors may change account recommendations, including standing grant recommendations, when they assume responsibility for the account and aren't legally required to follow the donor's recommendations for the account.

Note

- An investment representative associated with an account cannot be named as a joint account holder or successor.
- If at the donor's death, there's no surviving joint account holder or successor (as recommended to the foundation or appointed in the donor's will) or standing grant recommendations, the foundation assumes responsibility for the account's investment decisions; The foundation may use the donor's last grant recommendation as a basis for establishing standing grant recommendations for the account.

3. Donating to the Strategic Charitable Giving Foundation

Donations are irrevocable

Donations become the exclusive property of the foundation. Donations will not be refunded to the donor under any circumstance.

Minimum donations

Donors must make an initial donation of at least \$10,000 to establish an account unless the donation is a donation of life insurance from a living donor, in which case the initial donation must have a net death benefit of at least \$10,000.

Subsequent donations must be at least \$500, except to pay premiums associated with a donated life insurance policy. Donations of premium payments may be less than \$500.

Acceptable donations and tax considerations

- Cash
- Securities, including mutual funds
- Life insurance, including an interest in a segregated fund policy
- Where the foundation is named as a beneficiary under a will or designated in an RRSP, RRIF or TFSA

The foundation may refuse any donation and will return any unaccepted donations as soon as possible. The foundation will send donors written confirmation soon after they receive a donor's program forms.

Donors are entitled to a tax receipt for the eligible amount of an accepted donation (see Eligible amount). Tax receipts are dated with the date the foundation receives the donation.

Donations generally qualify for an individual income tax credit or corporate tax deduction as a charitable donation made to a registered charity in the tax year the donation was made.

For individuals, the maximum amount of charitable donations that may be claimed for credit in any one year is 75% of their net income or 100% in the year of death and the year immediately before death. Unused donations can be carried forward, but not backwards, for up to five years beyond the year of the donation, subject to the 75% limit in each year claimed.

New tax rules were introduced in 2016 for deaths occurring after 2015 where the estate of the deceased is designated a graduated rate estate, and a donation is made within 60 months from the date of death. Under these rules, the estate has the flexibility to use the donation tax credit in any the final tax year or previous year of the deceased or to reduce tax within the estate itself.

Donations of cash

Donations must be in Canadian dollars and delivered by cheque or wire. Tax receipts will be for the full amount of the cash donation, less any advantage or benefit conferred on the donor.

Donations of securities

The foundation generally accepts only publicly listed stocks, bonds and mutual funds. It doesn't accept shares of private companies. Donations of securities must be transferred in kind to the foundation's investment account. Transferring securities between financial institutions or accounts may be subject to delays and isn't within the foundation's direct control.

Donations of securities may be eligible for enhanced capital gains treatment and are deemed to have been disposed of by the donor immediately before donation to trigger a gain or loss for the investor. The Income Tax Act (Canada) (tax act) provides for a taxable capital gains inclusion rate of 0% for gains on publicly traded stocks, bonds, mutual funds and other securities donated in kind. Similarly, the inclusion rate for a taxable employee benefit from the exercise of an employee stock option was also reduced to 0% provided the securities are donated within 30 days of exercise. This means the amount of tax payable on any gain realized on securities donated to the foundation is \$0.

The tax receipt for donations of publicly listed stocks and bonds is the fair market value as established by the foundation in its sole discretion, less any advantage or benefit received by the donor. The tax receipt for donations of mutual funds is the value of those securities calculated by multiplying their net asset value per security, as determined by the mutual fund company issuing the securities, by the number of securities donated to the foundation, less the value of any advantage or benefit received by the donor.

The foundation will sell all securities, other than eligible Canada Life mutual funds, at the earliest practical date. Any costs incurred by selling these securities will be deducted from the proceeds of the sale. An amount equal to the net proceeds after liquidation will be deposited to the donor's account. The amount of the tax receipt provided to the donor may be different than the amount deposited to an account and invested in an eligible Canada Life Mutual Fund.

Donations of life insurance

A donation of a life insurance policy from a living donor is generally only accepted if:

- The policy has a net death benefit of at least \$10,000, unless the account minimum donation level will be met in combination with other donations
- The insurer informs the foundation that ownership of the policy has been irrevocably transferred to the foundation
- The foundation is named as the policy's beneficiary

The life insurance policy will generally only remain in force if the donor pays any further premiums required under the terms of the policy contract. Additional tax receipts will be issued for premium payments made after the transfer of ownership of the policy to the foundation, as described below. For donations of life insurance by way of beneficiary designation, which are only donated upon the death of the insured (see Testamentary donations).

Accounts funded solely by a donation of a life insurance policy from a living donor make investments and grants only after the account has received the proceeds of the insurance policy.

Tax receipts for insurance donations from living donors will be for the fair market value of the policy, determined at the time of the donation. To determine the fair market value of the policy, donors must obtain, at their own expense, an acceptable estimate of the fair market value of the insurance policy from a qualified professional (for example, an actuary). Before incurring any expenses, donors considering this option should contact the foundation to discuss the proposed donation, including ensuring the qualified professional will be acceptable to the foundation.

If a donor continues to pay premiums owing on the foundation's policy and provides the foundation written proof of payment each year, the foundation issues additional tax receipts for premiums paid by the donor during the previous calendar year.

If a donor doesn't continue to pay the premiums, the foundation may choose to continue to pay the premiums itself or surrender the policy for its cash surrender value.

Donations of segregated funds

Donations of segregated fund policies from living donors must be transferred in kind by an absolute assignment of ownership to the foundation. The process of transferring ownership of a segregated fund policy isn't within the foundation's direct control and may be subject to delays. There may also be redemption charges if the donated investments are mutual funds or segregated funds. Redemption charges won't apply for mutual funds that are part of the Canada Life Mutual Funds.

Donations of segregated fund policies from living donors may be eligible for enhanced capital gains treatment. They're deemed to have been disposed of by the donor immediately before donation to trigger a gain or loss for the owner. The tax act provides for a taxable capital gains inclusion rate of 0% for gains on segregated fund policies donated by a living donor in kind. Tax receipts for donations of segregated fund policies reflect the value of those units calculated by multiplying their net asset value per unit, as determined by the issuer, by the number of units donated to the foundation, less the value of any advantage or benefit received. Subsequent redemption fees incurred by the foundation don't reduce the amount of the tax receipt.

The foundation generally redeems segregated fund units at the earliest practical date. It may temporarily defer redemption when material guaranteed benefits under the segregated fund policy are expected to be paid shortly. Costs incurred by redeeming segregated fund units are deducted from the proceeds of the redemption. An amount equal to the net proceeds after liquidation is deposited to the donor's account. Donors should be aware the amount of their tax receipt will likely be different than the amount deposited to their account and invested in an eligible Canada Life mutual fund.

Third-party donations

Third-party donors, individuals or organizations, may make donations to a donor's account and are eligible to receive a tax receipt for their donations. They don't need recommendation privileges for the account but cannot recommend grants for the account. For each donation, third-party donors must complete Section 3 of the program application and account opening form or complete the donation form for subsequent donations.

Note

If an investment representative to an account wishes to make a third-party donation to that account, the donation proceeds will be invested under the sales charge purchase option.

Testamentary donations (donations occurring only after the donor's death)

Donations may be made to a new or existing account by designating the foundation as a beneficiary under a will, a life insurance policy, a qualified retirement plan (e.g., a RRSP or RRIF), TFSA or a private foundation.

Donors should specify in writing that the testamentary donation is to be made to the "Strategic Charitable Giving Foundation" and that the proceeds of the testamentary donation are to be passed to the donor's account (the account name should be identified) to avoid disputes over testamentary donations to an account.

Donors considering opening a new account with the proceeds of a testamentary donation should carefully review this guide and the program's forms and ensure that complete account set-up instructions are provided to their executor, including who will act as account holder and any other succession options for the account.

Testamentary donations are valued like cash or a securities donation, depending on the type of donation, and tax receipts are generally issued in the name of the deceased.

Estate assets may be subject to probate or estate administration taxes and may reduce the amount available to be donated to the foundation. Donations made during a donor's lifetime are not subject to these taxes. Donors should consult their financial, legal and tax advisors when setting up any testamentary donation.

For testamentary donations of securities received through a will, the tax receipt issued to the estate of the donor will reflect the fair market value of the securities on the date they're transferred to the foundation, minus any advantage or benefit associated with the donation.

Eligible amount (advantage or benefit)

The foundation issues tax receipts for the eligible amount of accepted donations. Eligible amounts are calculated under the tax act as the fair market value of the donation, minus any advantage or benefit.

Advantage or benefit generally means anything received by the donor or any person not dealing at arm's length with the donor (e.g., a relative, other than the donor's aunt, uncle, niece, nephew or cousin) at any time (either before or after the donation) from any person and which either directly or indirectly is related to the fact the donation is made. For example:

- If an investment representative gives a donor's family hockey tickets to acknowledge a donation, the tax receipt would be for the value of the donation less the value of the tickets.
- If a donor makes a grant recommendation to a registered Canadian amateur athletic association to pay, in full or in part, for their child's athletic training, the foundation will refuse the recommendation as the anticipated benefit deprives the donation of its characterization as a gift under tax law.

General giving fund

The foundation maintains a charitable giving fund account called the General Giving Fund. The board has sole authority over the General Giving Fund and decides which charities receive grants from the General Giving Fund.

The foundation may close accounts that fall below the minimum account balance level of \$500 or have no succession option after the death or incapacity of the donor. The foundation may transfer assets for these accounts to the General Giving Fund. When an account is closed, the account's name generally ceases to be used and the assets are transferred from the investment representative on the account.

Minimum account balance

The minimum account balance is \$500. If an account balance falls below \$500, the foundation will notify the donor and give the donor an opportunity to make additional donations. If, after 30 days the balance remains under \$500, the foundation may transfer the account's assets to the General Giving Fund and close the account. This minimum account balance may be modified or waived by the foundation at any time.

4. Investing through an account

Investment recommendation

Donors may recommend an investment from the list of Canada Life Mutual Funds indicated below. There's a maximum of one eligible Canada Life mutual fund per account. Donors may change their investment recommendation at any time. Joint account holders and successors may make investment recommendations only after the death or incapacity of the donor. If, at that time, there's no living joint account holder or successor, the foundation assumes sole responsibility for investment decisions on the account.

Eligible Canada Life Mutual Funds

Information regarding each eligible Canada Life mutual fund's fees and expenses, investment objectives and strategies, eligibility requirements and purchase options is listed in the following pages of this guide.

The summary below shows what can be found in each eligible Canada Life fund's prospectus, annual information form, fund facts, financial statements and management reports of fund performance (legal documents). Donors should review the legal documents and discuss any questions with their investment representative before they make an investment recommendation. If there's a discrepancy between information concerning the eligible Canada Life mutual funds in this guide and information in the legal documents, the legal documents govern.

Canada Life Investment Management Ltd. is the manager and trustee of each the following eligible Canada Life mutual funds:

Fund name and portfolio advisor or sub-advisor	Overview of investment objectives and strategies
Canada Life Conservative Portfolio - Portfolio Solutions Group	<p>Canada Life Conservative Portfolio seeks to provide investors with a portfolio providing regular income with low volatility. The fund will primarily have exposure to fixed income securities and a component of the portfolio may have exposure to equity securities to provide long-term capital appreciation. It aims to achieve this objective by investing in a portfolio of other mutual funds.</p> <p>The strategy is generally kept within the following ranges: 25-35% in equity securities; 65-75% fixed income securities, including cash and cash equivalents.</p> <p>Why invest in this portfolio strategy?</p> <p>The Canada Life Conservative Portfolio Fund is ideal for investors seeking a primarily fixed income portfolio with some equity exposure. The strategy provides diversification through exposure to multiple asset classes in domestic and foreign markets and multiple active managers.</p>

Fund name and portfolio advisor or sub-advisor	Overview of investment objectives and strategies
<p>Canada Life Moderate Portfolio - Portfolio Solutions Group</p>	<p>Investors benefit from tactical asset allocation decisions by the portfolio manager, including changes to the fixed income/equity allocation as well as the domestic/foreign allocation of the funds. The portfolio manager may make changes to the underlying fund mix in line with current forward-looking views on an ongoing basis. In addition, investors benefit from the active management of the underlying fund managers. Investors further benefit from automatic rebalancing, ensuring the asset mix stays close to the desired asset mix.</p> <p>Canada Life Moderate Portfolio offers investors a portfolio providing income while also allowing for long-term capital appreciation. While the majority of the fund's portfolio will have exposure to fixed income securities, a component of the portfolio may have exposure to equity securities to provide an opportunity for growth, with lower volatility than the more aggressive options. It aims to achieve this objective by investing in a portfolio of other mutual funds.</p> <p>The strategy is generally kept within the following ranges: 40-50% in equity securities; 50-60% fixed income securities, including cash and cash equivalents.</p> <p>Why invest in this portfolio strategy?</p> <p>The Canada Life Moderate Folio Fund is ideal for investors seeking a diversified portfolio with more fixed income than equity.</p> <p>The strategy provides diversification through exposure to multiple asset classes in domestic and foreign markets and multiple active managers.</p> <p>Investors benefit from tactical asset allocation decisions by the portfolio manager, including changes to the fixed income/equity allocation as well as the domestic/foreign allocation of the funds. The portfolio manager may make changes to the underlying fund mix in line with current forward-looking views on an ongoing basis. In addition, investors benefit from the active management of the underlying fund managers. Investors further benefit from automatic rebalancing, ensuring the asset mix stays close to the desired asset mix.</p>

Fund name and portfolio advisor or sub-advisor	Overview of investment objectives and strategies
<p>Canada Life Balanced Portfolio - Portfolio Solutions Group,</p>	<p>Canada Life Balanced Portfolio offers investors a portfolio providing a balance between income and capital appreciation over the long term. It aims to achieve this objective by investing in a portfolio of other mutual funds.</p> <p>The strategy is generally kept within the following ranges: 55-65% in equity securities; 35-45% fixed income securities, including cash and cash equivalents.</p> <p>Why invest in this portfolio strategy? The Canada Life Balanced Portfolio Fund is ideal for investors seeking a diversified portfolio with more equity than fixed income.</p> <p>The strategy provides diversification through exposure to multiple asset classes in domestic and foreign markets and multiple active managers.</p> <p>Investors benefit from tactical asset allocation decisions by the portfolio manager, including changes to the fixed income/equity allocation as well as the domestic/foreign allocation of the funds. The portfolio manager may make changes to the underlying fund mix in line with current forward-looking views on an ongoing basis. In addition, investors benefit from the active management of the underlying fund managers. Investors further benefit from automatic rebalancing, ensuring the asset mix stays close to the desired asset mix.</p>
<p>Canada Life Advanced Portfolio - Portfolio Solutions Group</p>	<p>Canada Life Advanced Portfolio offers investors a portfolio providing long-term capital appreciation, with some income. The fund will primarily have exposure to equity securities to achieve growth and a component of the portfolio may have exposure to fixed income securities to provide income. It aims to achieve this objective by investing in a portfolio of other mutual funds.</p> <p>The strategy is generally kept within the following ranges: 75-85% in equity securities; 15-25% fixed income securities, including cash and cash equivalents.</p> <p>Why invest in this portfolio strategy? The Canada Life Advanced Portfolio Fund is ideal for investors seeking a primarily equity portfolio with some fixed income exposure.</p> <p>The strategy provides diversification through exposure to multiple asset classes in domestic and foreign markets and multiple active managers.</p> <p>Investors benefit from tactical asset allocation decisions by the portfolio manager, including changes to the fixed income/equity allocation as well as the domestic/foreign allocation of the funds. The portfolio manager may make changes to the underlying fund mix in line with current forward-looking views on an ongoing basis. In</p>

Fund name and portfolio advisor or sub-advisor	Overview of investment objectives and strategies
	<p>addition, investors benefit from the active management of the underlying fund managers. Investors further benefit from automatic rebalancing, ensuring the asset mix stays close to the desired asset mix.</p>

There's no assurance that any eligible Canada Life mutual fund will achieve its stated objective. Market, interest rate, currency and/or other fluctuations may cause the value of an eligible Canada Life mutual fund's units to be worth more or less than their value when they were initially purchased by the foundation. Information on eligible Canada Life funds is current as of the date of publication. Additional information about the eligible Canada Life mutual funds summarized in this guide and their underlying funds, if any, is set out in their prospectus, annual information form, financial statements, fund facts and management reports of fund performance (the legal documents), including details about their investment objectives and strategies, risks, fees and expenses.

Eligible series of units

The eligible series of units offered in the eligible Canada Life mutual funds under the program are:

Series of units	Series descriptions under the program	Minimum total holdings requirement
A series	For accounts where the foundation received donations of at least \$10,000	N/A
W series	For accounts where the foundation received donations of at least \$100,000, and the donor has a minimum of \$500,000 in total holdings (as defined below). Canada Life Investment Management Ltd. may waive the minimum investment level for institutional accounts that are expected to exceed the minimum investment within a period of time acceptable to Canada Life Investment Management Ltd.	\$500,000
N series	For accounts where the foundation received donations of at least \$100,000 and the donor has a minimum of \$500,000 in total holdings (as defined below) and the account is subject to an N series account agreement. Canada Life Investment Management Ltd. may waive the minimum investment level for institutional accounts that are expected to exceed the minimum investment within a period of time acceptable to Canada Life Investment Management Ltd.	\$500,000

We may permit additional series of units to be eligible under the program at our discretion. The minimum initial investment requirement for a series of a fund is set out in the table above. Investments into L and N series securities are also subject to a minimum total holdings requirement.

If the total holdings satisfy the minimum total holdings requirement set out in the table above for a series, the foundation may purchase that series of a fund, provided the foundation meets all other eligibility requirements for that series, including the minimum initial series investment requirement, and that the account is eligible to hold that series of a fund.

Canada Life Investment Management Ltd. and/or Quadrus reserve the right to change or waive any of the minimum investment requirements.

If a donor's account is no longer eligible to hold the applicable series, Canada Life Investment Management Ltd. and/or Quadrus may switch the units in that account to a different series. Details regarding these potential switches are set out in the eligible Canada Life mutual funds' simplified prospectus.

Funds or series may be added to or removed from program eligibility at any time without notice. Donors will be notified and asked to provide an alternative investment recommendation if their account holds an eligible Canada Life mutual fund that has been removed from the program.

The foundation may purchase or switch some or all units in the account into units of a Canada Life money market mutual fund to manage its obligations under the Income Tax Act or for such other circumstances as the foundation deems appropriate.

Valuation of accounts

For each account, the foundation will use the net proceeds of donations to that account to acquire units of the eligible Canada Life mutual fund. The value of an account at any time will be the number of units of the eligible Canada Life mutual fund held by the account multiplied by its unit price. Unit prices are calculated at the close of trading on the Toronto Stock Exchange on each trading day. Investment returns of the eligible Canada Life mutual fund will be based on the performance of the eligible Canada Life mutual fund within the account and will be summarized in a semi-annual account statement.

5. Fees, expenses and commissions

Program fees

Each account, other than accounts opened with a life insurance donation that haven't received the insurance proceeds, is allocated an annual charitable administration fee of 0.55%. Additional fees include a prorated share of the foundation's annual operating expenses and possibly a grant activity charge.

The foundation will also allocate any N series or asset-based fees with respect to the account payable directly by the foundation to Canada Life. Program fees will be paid by redeeming units of the eligible Canada Life mutual fund held through the account. The foundation reserves the right to change program fees at any time with appropriate notice.

Charitable administration fee

The charitable administration fee is payable to Mackenzie Financial Corporation as the foundation's charitable administration service provider. This fee is negotiable on account assets of \$2,500,000 or more, as set out below. It's calculated monthly and generally collected semi-annually from each account, other than accounts opened only with a donation of life insurance that haven't received the insurance proceeds. The charitable administration fee covers all costs associated with administering an account and covers operating expenses like:

- Audit and legal fees
- Program guide, program forms and reports
- Regulatory filing and other regulatory fees
- Interest and bank charges
- Insurance
- Non-refundable GST/HST
- Reimbursement of out-of-pocket and nominal expenses for the director meeting

If significant charitable operating expenses are incurred by an account, such as legal fees related to an estate dispute, the foundation may allocate those directly expenses to that account.

The foundation follows the principles listed below when redeeming units within accounts to pay the charitable administration fee:

- First, the foundation redeems available free redemption amounts and matured deferred sales charge securities.
- Next, the foundation redeems retail series securities purchased under the sales charge purchase option.
- Finally, the foundation redeems N series securities.

Account balance	Charitable administration fee (% each year)
On account assets under \$2,500,000	0.55%
On account assets above \$2,500,000	Contact the foundation for details

Fees and expenses payable by the eligible Canada Life Mutual Funds

Each eligible Canada Life mutual fund pays management fees, administration fees and fund costs, as described below. These fees and expenses are reflected in the daily net asset value of each series (except for N series). Canada Life Investment Management Ltd. may authorize a reduction in the management fee and/or operating expense rates that it charges to the eligible Canada Life mutual funds with respect to any account's units of an eligible Canada Life mutual fund. The eligible Canada Life mutual fund will pay an amount equal to the reduction of management fees and/or operating expenses to the account as a special distribution. The level of reduction may vary and usually will be based on the size of the account and the extent of mutual fund services required by the account. There will be no duplication of expenses payable by the eligible Canada Life mutual funds because of any investments in underlying mutual funds.

Management fees

The eligible Canada Life fund generally pays the management fees to Canada Life Investment Management Ltd. as manager of the eligible Canada Life fund (except for N series securities). Series N management fees are paid by redeeming securities in your account. If applicable to the particular series, Canada Life Investment Management Ltd. will pay a trailing commission to the investment representative out of the management fee that it receives from the eligible Canada Life mutual fund.

The rate for N series units is negotiable and varies between accounts. The maximum management and administration fees payable by the foundation directly to Canada Life Investment Management Ltd. for N series securities shall not exceed 1.40%. In addition, the donor may negotiate a service fee with the investment representative for services provided in connection with the N series investments. These fees are as agreed to and will be set out in the N series account agreement.

The annual management fee rates for other eligible series of units of the eligible Canada Life mutual funds are:

Eligible funds	Annual management fee rate by series (%)	
	A series	W series
Canada Life Conservative Portfolio	1.80%	1.60%
Canada Life Moderate Portfolio	1.90%	1.70%
Canada Life Balanced Portfolio	1.95%	1.75%
Canada Life Advanced Portfolio	2.00%	1.80%

A series are eligible for a fee rebate when account is over \$100,000.

Automatic switches into high-net-worth series

Canada Life Investment Management Ltd. automatically switches a donor's A series to W series (automatic switches) once the donor's holdings either individually, or within a donor's eligible accounts, meet or exceed \$500,000 (the eligibility criteria). The donor will be invested in the series with the lowest combined management and administration fees for which the donor is eligible.

The donor is responsible for ensuring their financial advisor is aware of all eligible accounts that should be linked to qualify for the automatic switches. Eligible accounts will only be linked after the donor's investment representative has communicated the donor's eligible account information to Canada Life Investment Management Ltd.

Operating expenses

1. As manager, of the eligible Canada Life mutual funds, Canada Life Investment Management Ltd. provides the majority of the services required for each series to operate but may retain third parties to provide certain services. Canada Life Investment Management Ltd. is required to bear certain expenses to third parties solely for the benefit of each series. As more fully described in the prospectus, Canada Life Investment Management Ltd. pays all of these operating expenses, other than fund costs (as defined in the prospectus), in respect of each series, in exchange for a fixed rate annual administration fee paid by each series of each eligible Canada Life mutual fund.

The administration fee and fund costs are charged separately from the management fee for each series. Administration fees are paid by each series of each eligible Canada Life mutual fund except for N series securities, which are charged directly to the foundation.

The administration fee is calculated as a fixed annual percentage of the net asset value of each series as follows:

Eligible funds	Annual fixed rate administrative fee by series (%)	
	A series	W/N series
Canada Life Conservative Portfolio	0.21%	0.15%
Canada Life Moderate Portfolio	0.21%	0.15%
Canada Life Balanced Portfolio	0.24%	0.15%
Canada Life Advanced Portfolio	0.24%	0.15%

Brokerage commissions

Each eligible Canada Life fund also pays its own brokerage commissions for portfolio transactions and related transaction fees and, for tax purposes, adds this to the cost base or subtracts this from the sale proceeds of those securities.

Purchase options, commissions and other fees

All eligible Canada Life mutual funds are available under the sales charge purchase option. The Strategic Charitable Giving Foundation will only invest in eligible Canada Life mutual funds under the sales charge option at a 0% sales charge rate.

Deferred sales charge purchase options

The Strategic Charitable Giving Foundation will accept in-kind donations of mutual fund units of mutual funds that are part of the Canada Life mutual funds and purchased under a deferred sales charge purchase option, where the applicable redemption schedule has not yet expired. In such a case, the redemption schedule will continue upon the switch to an eligible Canada Life mutual fund. Please refer to the simplified prospectus for the Canada Life Mutual Funds for details about redemption charges that apply if units are redeemed during specified periods of the redemption schedule, over and above the 10% free redemption amount.

On existing accounts, up to 10% of each account's investment in deferred sales charge units of an eligible Canada Life fund may be redeemed in each calendar year without a redemption charge. This right is not cumulative if it is not used in any calendar year. Accordingly, to avoid incurring any redemption charges on deferred sales charge units, the Strategic Charitable Giving Foundation will not accept grants that are greater than 10% of a donor's account per calendar year on accounts with deferred sales charge units whose redemption schedule has not expired.

Switch fees

Subject to the Strategic Charitable Giving Foundation's negotiation with the account's dealer, a fee of 0-2% of the amount switched between the eligible Canada Life mutual funds may apply. The foundation will generally only adopt a donor's switch recommendation if it has been confirmed that no switch fee will apply. Sales charges and redemption charges aren't paid when the foundation switches between eligible Canada Life mutual funds if the new fund's units are issued under the same purchase option as the previous fund's units.

Trailing commissions

Canada Life Investment Management Ltd. pays Canada Life and Quadrus authorized investment representatives a trailing commission at the end of each month or quarter, which is a percentage of the value of the series of units of the A and W series securities in each account, and is based on the rates in the table below. A series and W series trailing commissions are paid out of the management fees collected by Canada Life Investment Management Ltd. No trailing commissions are paid in respect of N series units. For N series securities, investment representatives set out the negotiated advisor service fee in their account opening form and the Strategic Charitable Giving Foundation will then reflect this fee in the applicable N series account agreement that the foundation enters into with investment representatives. Under that agreement, the foundation will agree to redeem the applicable N series securities of the eligible Canada Life mutual fund from a donor's account for an amount equal to that fee and remit the proceeds to the dealer. Canada Life Investment Management Ltd. may change the terms of the trailing commission program or cancel it at any time.

Fund	Front-end load option (0%)
	A series and W series
Canada Life Conservative Portfolio	1%
Canada Life Moderate Portfolio	1%
Canada Life Balanced Portfolio	1%
Canada Life Advanced Portfolio	1%

Short-term trading fees

Canada Life Investment Management Ltd. has policies and procedures to detect and deter inappropriate or excessive short-term trading. An inappropriate short-term trade is defined as a combination of a purchase and redemption (including switches between Mackenzie-sponsored funds) within 90 days that Mackenzie believes is detrimental to fund investors and which may take advantage of certain funds with securities priced in other time zones or illiquid securities that trade infrequently. Excessive short-term trading is a combination of purchases and redemptions (including switches between Mackenzie-sponsored funds) that occur within 30 days so frequently that Mackenzie believes the trading is detrimental to fund investors.

Mackenzie acts in a manner it believes is consistent with the best interests of its investors. The interests of investors and the eligible Canada Life mutual funds' ability to manage its investments may be adversely affected by inappropriate or excessive short-term trading because, among other things, these types of trading activities can dilute the value of fund securities, can interfere with the efficient management of the funds' portfolio and can result in increased brokerage and administrative costs.

While Mackenzie will actively take steps to monitor, detect and deter inappropriate and excessive short-term trading, it can't ensure that such trading activity will be eliminated. For example, certain financial institutions may offer alternative investment products to the public that are comprised in whole or in part of securities of the eligible Canada Life mutual funds. These institutions may open accounts with Mackenzie on behalf of multiple investors whose identity and trading activity is not normally recorded on Mackenzie's transfer agent system.

All trades determined by Mackenzie to be inappropriate short-term trades will be subject to a 2% fee. All trades determined by Mackenzie to be part of a pattern of excessive short-term trading will be subject to a 1% fee.

The following types of redemptions, including switches, will be exempt from short-term trading fees:

- From money market or similar funds
- From an underlying fund by a top fund in a fund of funds program
- Redemptions of units to pay N series management and service fees
- Redemptions of securities received on the reinvestment of income or other distributions
- Redemptions of securities to pay program fees

The Strategic Charitable Giving Foundation will pay any short-term trading fees to the eligible Canada Life mutual funds.

The Strategic Charitable Giving Foundation will decline a donor's recommendation to switch or redeem investments if it believes that the recommended activity may result in a short-term trading fee being applied. Mackenzie may take such additional action as it considers appropriate to prevent further similar activity. These actions may include the delivery of a warning, placing the account on a watch list to monitor trading activity and the subsequent refusal of further trades if there are continued attempts at such trading activity, and/or closure of the account.

Note

Mackenzie reserves the right to restrict, reject or cancel, without any prior notice, any purchase or switch order, including transactions that are deemed to represent inappropriate or excessive short-term trading.

6. Granting to eligible charities

The Strategic Charitable Giving Foundation allocates an annual grant amount for each account. Donors may recommend grants from their account to eligible charities up to their account's annual grant amount.

Recommendations are subject to review and approval by the Strategic Charitable Giving Foundation. The foundation will notify the donor and request a revised recommendation if a grant recommendation is declined.

The Strategic Charitable Giving Foundation sends grants to large charitable organizations with multiple CRA numbers and branch offices to the local branch closest to the area where the donor resides – unless the donor has indicated a specific branch and CRA number on the grant recommendation form.

Annual grant amount

The Strategic Charitable Giving Foundation determines how much it must disburse from its assets each year to satisfy the requirements of the tax act and will allocate at least this amount among all accounts. The Strategic Charitable Giving Foundation grants at a minimum standing rate of 5% a year. The actual grant amount is based on the account's year-end market value.

However, a donor may recommend an annual grant rate between 5% and 100%. In the 12 months following the opening of an account, a donor may grant a maximum of 25%. These percentages may be reduced or changed at our discretion. The grant amount arising from a donation only begins the calendar year after a donation is made.

The annual grant amount must be granted each year from an account and cannot be carried forward.

Eligible charities

The Strategic Charitable Giving Foundation restricts granting to registered Canadian charities and other permitted entities identified as qualified donees in the tax act.

- [Registered Canadian charities](#) (other than private foundations)
- Registered Canadian amateur athletic associations
- Registered national arts service organizations
- Certain non-profit housing corporations in Canada that exclusively provide low-cost accommodation for the elderly
- Universities outside Canada that ordinarily include students from Canada
- Charitable organizations outside Canada to which the federal government has made a gift in the current calendar year or the previous calendar year
- Canadian municipalities or the federal or a provincial government or their agencies

The United Nations or its agencies

- The Strategic Charitable Giving Foundation won't approve grants to:
- Individuals
- Non-profit organizations not registered as charitable organizations with CRA
- Private foundations
- Political candidates, parties or activities
- Satisfy a pre-existing pledge or for any private benefit such as membership dues or fees, tuition, or goods purchased at a charitable auction.

The Strategic Charitable Giving Foundation takes remedial action if it finds that grants have been made for improper purposes like those listed above. Remedial actions may include but are not limited to, requiring the return of a grant or transferring the account's assets to the General Giving Fund and closing the account.

Recommending grants and grant payment dates

Donors recommend grants by submitting the program application and account opening form. If a donor is recommending grants to multiple eligible charities, a percentage must be allocated to each eligible charity, subject to the minimum grant amount of \$250. This minimum grant amount may be modified or waived from time to time by the Strategic Charitable Giving Foundation at its discretion.

Donors must indicate whether they wish to submit their grant recommendations annually, an option referred to as making annual grant recommendations, or provide standing grant recommendations, on the program application and account opening form.

Donors who have chosen to make annual grant recommendations for an account must submit a change of information form each year to the Strategic Charitable Giving Foundation. Donors who expect to change their recommended eligible charities annually may prefer the annual grant recommendations option.

Donors who have made standing grant recommendations for their account will have their recommendations used indefinitely in subsequent years, including after their death, unless a person authorized to make grant recommendations completes a new change of information form.

Donors who intend to recommend grants to the same eligible charities each year may prefer the convenience of the standing grant recommendations option, as they don't need to submit a change of information form each year.

The Strategic Charitable Giving Foundation issues grants to eligible charities on grant payment dates (on or about March 1, June 1, Sept. 1 and Dec. 1). Donors select one annual grant payment date for their account.

Donors who have chosen the annual grant recommendations option must submit a change of information form at least two weeks before their selected grant payment date to ensure the Strategic Charitable Giving Foundation has enough time to process the grant recommendation.

Note

If the Strategic Charitable Giving Foundation doesn't receive a grant recommendation on a change of information form for an account's annual grant amount by Nov. 15, the foundation will, for that year, proceed with one of the following options:

- If the individual or entity authorized to make grant recommendations from that account provided such recommendations for a previous calendar year, the foundation may consider those recommendations for the current calendar year.
- If it's not possible to direct grants from the account to the same entities as the previous calendar year, the foundation may direct grants from the account to the same eligible charities as selected for the General Giving Fund.

This table provides further guidance on choosing between the annual grant recommendation option and the standing grant recommendation option.

	Annual grant recommendations	Standing grant recommendations
Required to submit change of information form annually?	Yes.	No. The Strategic Charitable Giving Foundation can rely on account holders' recommendations indefinitely. Account holders can change their standing grant recommendations by submitting a change of information form.
What happens if account holders don't submit a change of information form annually?	If the Strategic Charitable Giving Foundation doesn't receive the form by Nov. 15, grants will be made from the account to the same eligible charities selected for the previous calendar year. If that isn't possible, grants will be made from the account to the same eligible charities as selected by the General Giving Fund.	Grants can be expected to continue to be made to account holders' preferred charities in accordance with their standing grant recommendations.
When are grants paid to recommended eligible charities?	The Strategic Charitable Giving Foundation processes grants on or about March 1, June 1, Sept. 1 and Dec. 1 each year. A charitable account may grant on only one of the grant payment dates each year. Account holders must submit their change of information form to the foundation at least two weeks before their chosen grant payment dates to ensure there's enough time for processing. For example, a change of information form submitted to the foundation on Aug. 10 should be received in time for a grant being processed on or about Sept. 1.	On or about the grant payment date chosen by the account holder.
Other considerations?	Account holders who expect to change their recommended eligible charities annually may prefer the annual grant recommendations option. If they select this option, and their account doesn't have a joint account holder or successor at the time of their death, and none has been provided for in their will, the assets in their	Account holders who intend to recommend grants to the same eligible charities each year may prefer the convenience of the standing grant recommendation option. To help preserve an account's legacy, the Strategic Charitable Giving Foundation recommends this option to account holders when no joint account holder or successor is

	Annual grant recommendations	Standing grant recommendations
	account may be transferred to the General Giving Fund and their account closed.	named to provide future recommendations for the account.

Minimum grant amount and number of grants

The Strategic Charitable Giving Foundation doesn't issue grant cheques under \$250. The foundation currently allows an unlimited number of grants from an account in a year. This minimum grant amount may be modified or waived from time to time by the foundation at its discretion.

Grant notification

Grants are made with cheques bearing the name, Strategic Charitable Giving Foundation. The foundation sends a covering letter with the cheque referencing the program and, unless indicated otherwise in the program application and account opening form, the account name.

Alternatively, using the program application and account opening form, donors may request that:

- Their grant remain anonymous. In this case the foundation withholds the account name and information about the individual authorized to make grant recommendations for the account from the eligible charities.
- The foundation provide, upon request to those eligible charities receiving grants from their account, contact information about the individual then authorized to make grant recommendations for the account. In this case the foundation provides that person's name and address.
- The grant notification include the name(s) of the individual(s) in whose honour or memory the grant recommendations, through special recommendations in the grant recommendations section of the application and account opening form or the change of information form.

Source of grants

Grants are paid from the account's assets, including income and realized capital gains generated within the account. The Strategic Charitable Giving Foundation redeems units of the eligible Canada Life mutual fund held within an account for granting purposes.

The foundation follows certain principles when redeeming units within an account for granting purposes:

- First, the foundation redeems any available free redemption amounts and any matured deferred sales charge securities.
- Next, the foundation redeems any retail series securities purchased under the sales charge purchase option.
- Finally, the foundation redeems any W Series or N Series securities.

Foundation income and grants

As a registered charity, the Strategic Charitable Giving Foundation is tax exempt. Income and capital gains from the eligible Canada Life mutual fund in an account are income and capital gains of the foundation, not the donor. When the foundation makes a grant from an account, it's making a grant from its own assets so the donor won't receive an additional tax receipt.

7. Material agreements

The Strategic Charitable Giving Foundation has fundraising and fund endowment agreements for its charitable giving fund programs with Mackenzie and Canada Life, as well as with certain Canada Life affiliates.

The foundation also has a charitable administrative services agreement with Mackenzie that appoints Mackenzie as the foundation's charitable administrative services provider to assist with the fulfillment of most or all charitable administrative functions of each of the foundation's charitable giving programs. The foundation pays Mackenzie for these services.

The foundation has an agreement with B2B Bank Securities Services Inc. (B2B), where B2B provides securities trading and other services through a B2B investment account opened by the foundation.

The information contained in this guide is of a general nature and should not be construed as legal, financial or tax advice to any person, as each person's circumstances are different. Donors should consult with their own legal, financial and tax advisors for information about donating to the Strategic Charitable Giving Foundation.

Additional information about the eligible Canada Life Mutual Funds summarized in this guide (and their underlying funds, if any) is set out in their prospectus, annual information form, financial statements, fund facts and management reports of fund performance (legal documents), including details about their investment objectives and strategies, risks, fees and expenses. Donors should read and consider this information before making a recommendation to the Strategic Charitable Giving Foundation regarding investments for their account. If there is any discrepancy between information in this guide and information in the legal documents, the legal documents will govern. Donors may get copies of these legal documents at no cost by calling Quadrus toll-free at 1-888-532-3322, from their investment representative. Donors may also obtain copies of these documents from canadalife.com or sedar.com.

Canada Life Mutual Funds are managed by Canada Life Investment Management Ltd. offered exclusively through Quadrus Investment Services Ltd.

Make your investment decisions wisely. Important information about mutual funds is found in the Fund Facts document. Please read this carefully before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. Canada Life Mutual Funds, Canada Life and design are trademarks of the Canada Life Assurance Company. Quadrus, Quadrus Investment Services Ltd. and design are trademarks of Quadrus Investment Services Ltd. Used with permission.

For investment representatives only.

For specific questions about a new or existing Canada Life Charitable Giving Program account, please call the Strategic Charitable Giving Foundation at 1-866-445-6765 or send us an email at foundation@scgf.ca.

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