

Universal Life



Odyssey
Assumption Life

PRODUCT GUIDE
4755-00A-MAR12

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ASSUMPTION LIFE...

a part of your odyssey

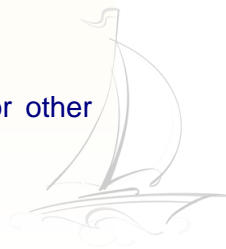
An odyssey is a series of extraordinary adventures; the mere mention of the word rekindles memories of Ulysses' famous adventures as told by Homer. The term is also well recognized in Acadia, where it is used in reference to the trek of the Acadian people after the events of 1755.

Odyssey is the Assumption Life universal life product enabling your client to better prepare by choosing the combination of insurance and high-return investment options that best suits his needs and his future plans.

In 1903, Acadians settled in New England founded the Société l'Assomption, now known as Assumption Life. Their goal was to assist members according to principles of mutual assistance, education and leadership in economic development. Assumption Life today continues its efforts to help build a productive future for clients, families and businesses.

Note: In an effort to facilitate reading the present document, we have used the masculine gender to refer to both male and female clients.

This marketing guide is for internal use only. It is neither a policy, an insurance contract (or other contract) nor a document evidencing a contract and therefore does not confer any rights.



WHY UNIVERSAL LIFE?

Each of us aspires to success, whether in business, in our personal life or at retirement. We are preoccupied by a number of questions such as:

*How will my family
survive after I'm gone?*

What can I do to provide for my company's future?

*How do I ensure my retirement
is free of financial worries?*

Universal life is a product which combines the need for savings with the natural concern for our loved ones to be looked after when we die. In addition to the traditional advantages of insurance, universal life offers a number of options enabling the client to change the level of protection and the premium amount to best suit his personal goals and financial situation.

Also included are a number of investment options enabling the client to accumulate non-taxable funds, while at the same time maintaining life insurance coverage.

WHY ODYSSEY?

There are many features to help you convince your client to choose Assumption Life's Odyssey. The guaranteed cash values, the absence of surrender charges after six years, the multiple life option allowing for up to eight universal life coverages on a single policy, and the Maximiser option enabling the policyowner to maximize his investments while maintaining the policy's tax-free status are but a few of the characteristics making Odyssey the best choice.

Odyssey is much more than an insurance policy; it is a product which enables the client to master the elements of success, namely security, performance and flexibility.

SECURITY

- life insurance to protect family, business
- worry-free retirement planning

PERFORMANCE

- investments in a wide range of high-yielding funds
- tax-free investment

FLEXIBILITY

- premium and payment options based on the client's means and needs
- variety of choices for cost of insurance and death benefit options
- investment strategy tailored to the client's situation
- possibility of making cash withdrawals

ASSUMPTION LIFE

ODYSSEY

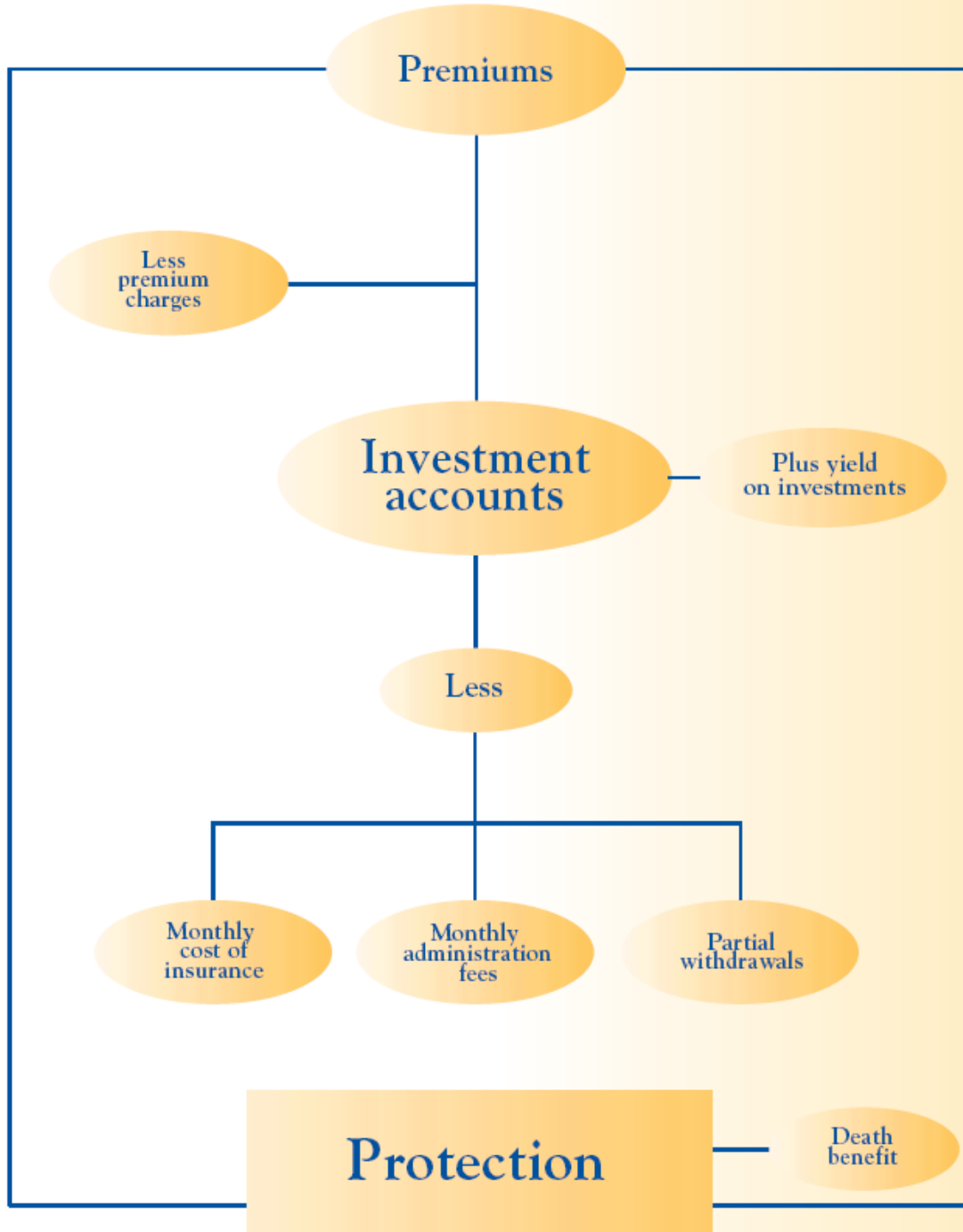
Universal Life Insurance

Features	<ul style="list-style-type: none"> • Universal life insurance • Non-participating insurance • Available with smoker and non-smoker rates • Guaranteed cash surrender values with level cost of insurance option • Option – changement premier décès à dernier décès • Maximiser option • Disability benefit option • Possibility of assigning policy for loan collateral • Policy loans • Substitution of insured
Cost of insurance options	<ul style="list-style-type: none"> • Yearly renewable term (YRT) to age 105 • Level, payable to age 105
Monthly fees	<ul style="list-style-type: none"> • \$10 for coverage of \$100,000 or more (\$5 for coverage < \$100,000). • Additional UL coverage: \$7 for coverage of \$100,000 or more (\$2 for coverage < \$100,000)
Issue ages	<ul style="list-style-type: none"> • 15 days to 80 years
Minimum coverage	<ul style="list-style-type: none"> • \$25,000 with level cost of insurance • \$50,000 with YRT cost of insurance
Maximum coverage	<ul style="list-style-type: none"> • \$5,000,000 • Coverage amount over \$5,000,000 must be approved by head office.
Rate bands	<ul style="list-style-type: none"> • \$25,000 to \$49,999 (Level cost of insurance) • \$50,000 to \$99,999 (Level and YRT cost of insurance) • \$100,000 to \$499,999 (Level and YRT cost of insurance) • \$500,000 and over (Level and YRT cost of insurance)
Beneficiary	<ul style="list-style-type: none"> • Beneficiary is designated by policy owner.
Change to joint life insurance	<ul style="list-style-type: none"> • Possibility to modify your first-to-die joint life insurance (2 lives) to a last-to-die joint life insurance. This change can be done from the 15th anniversary of the coverage.
Guaranteed values	<ul style="list-style-type: none"> • The cash surrender value of the accumulation fund equals the value of the accumulation fund less surrender charges and policy loans. • A guaranteed cash surrender value is available with the level cost of insurance.
Joint Policies	<ul style="list-style-type: none"> • Joint first to die policy up to five lives • Joint last to die policy (two lives) • Multiple life policy up to eight coverages

<p>Death benefit options</p>	<p>The death benefit option may be changed in the following manner:</p> <table border="1"> <thead> <tr> <th data-bbox="342 237 532 275">FROM</th> <th data-bbox="532 237 699 275">To</th> <th data-bbox="699 237 1552 275">ADJUSTMENTS</th> </tr> </thead> <tbody> <tr> <td data-bbox="342 275 532 348">Level</td> <td data-bbox="532 275 699 348">Increasing</td> <td data-bbox="699 275 1552 348">- The sum insured will be reduced by the amount of the accumulation fund.</td> </tr> <tr> <td data-bbox="342 348 532 422">Level</td> <td data-bbox="532 348 699 422">Indexed</td> <td data-bbox="699 348 1552 422">- No adjustment required (YRT only) - Evidence of insurability required</td> </tr> <tr> <td data-bbox="342 422 532 495">Increasing</td> <td data-bbox="532 422 699 495">Level</td> <td data-bbox="699 422 1552 495">- The sum insured is increased by the amount of the accumulation fund.</td> </tr> <tr> <td data-bbox="342 495 532 531">Indexed</td> <td data-bbox="532 495 699 531">Level</td> <td data-bbox="699 495 1552 531">- Indexation ends</td> </tr> </tbody> </table>	FROM	To	ADJUSTMENTS	Level	Increasing	- The sum insured will be reduced by the amount of the accumulation fund.	Level	Indexed	- No adjustment required (YRT only) - Evidence of insurability required	Increasing	Level	- The sum insured is increased by the amount of the accumulation fund.	Indexed	Level	- Indexation ends						
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Increasing	Level	- The sum insured is increased by the amount of the accumulation fund.																				
Indexed	Level	- Indexation ends																				
<p>Interest Bonus</p>	<p>The interest bonus is an additional interest credit which applies to the index accounts only. It will be credited monthly, starting at the beginning of the 7th year.</p> <ul style="list-style-type: none"> • 1.30% year 7 to 19 (i.e. 0.1077% on a monthly basis) • 1.55% year 20 to 29 (i.e. 0.1283% on a monthly basis) • 1.80% year 30 and over (i.e. 0.1488% on a monthly basis) <p>The interest bonus does not apply to the daily interest account nor the guaranteed interest accounts.</p>																					
<p>Riders & supplementary benefits</p>	<table border="1"> <thead> <tr> <th data-bbox="342 926 954 953">Riders & Benefits</th> <th data-bbox="954 926 1170 953">Individual</th> <th data-bbox="1170 926 1552 953">Joint</th> </tr> </thead> <tbody> <tr> <td data-bbox="342 953 954 982">• Waiver of premiums for disability</td> <td data-bbox="954 953 1170 982">x</td> <td data-bbox="1170 953 1552 982">x</td> </tr> <tr> <td data-bbox="342 982 954 1012">• Waiver of premiums for death</td> <td data-bbox="954 982 1170 1012">x</td> <td data-bbox="1170 982 1552 1012">x</td> </tr> <tr> <td data-bbox="342 1012 954 1041">• Accidental death and dismemberment</td> <td data-bbox="954 1012 1170 1041">x</td> <td data-bbox="1170 1012 1552 1041"></td> </tr> <tr> <td data-bbox="342 1041 954 1071">• Child insurance rider</td> <td data-bbox="954 1041 1170 1071">x</td> <td data-bbox="1170 1041 1552 1071">First-to-die</td> </tr> <tr> <td data-bbox="342 1071 954 1100">• Disability income</td> <td data-bbox="954 1071 1170 1100">x</td> <td data-bbox="1170 1071 1552 1100"></td> </tr> <tr> <td data-bbox="342 1100 954 1129">• T-10 Plus</td> <td data-bbox="954 1100 1170 1129">x</td> <td data-bbox="1170 1100 1552 1129">x</td> </tr> </tbody> </table>	Riders & Benefits	Individual	Joint	• Waiver of premiums for disability	x	x	• Waiver of premiums for death	x	x	• Accidental death and dismemberment	x		• Child insurance rider	x	First-to-die	• Disability income	x		• T-10 Plus	x	x
Riders & Benefits	Individual	Joint																				
• Waiver of premiums for disability	x	x																				
• Waiver of premiums for death	x	x																				
• Accidental death and dismemberment	x																					
• Child insurance rider	x	First-to-die																				
• Disability income	x																					
• T-10 Plus	x	x																				

For more information on the product, its limits and exclusions, please consult the contract.

HOW ODYSSEY WORKS





TARGET MARKETS AND THEIR NEEDS

TARGET MARKET	YOUNG COUPLES	SINGLE-PARENT FAMILIES	SINGLE PROFESSIONALS	DOUBLE INCOME FAMILIES
	<ul style="list-style-type: none"> • 25-35 years of age • have or will soon have young children • average or slightly above average income 	<ul style="list-style-type: none"> • 30-45 years of age • the woman is often sole provider • average or below average income 	<ul style="list-style-type: none"> • 25-45 years of age • little or no family responsibilities • above average income 	<ul style="list-style-type: none"> • 30-55 years of age • stable household with kids • above average income
NEEDS	<ul style="list-style-type: none"> - Protection - Down payment for purchase of property - Mortgage reduction - Cash accumulation - Timely access to investment accounts 	<ul style="list-style-type: none"> - Moderate protection - Savings fund - Welfare and security of children - Education fund 	<ul style="list-style-type: none"> - Moderate to high level of protection - Tax-sheltered savings - Maximization of retirement fund - Estate planning 	<ul style="list-style-type: none"> - High level of protection - Tax-sheltered savings - Supplement to retirement income - Education fund
TYPE OF COVERAGE	<ul style="list-style-type: none"> - Joint first to die - Multiple life - Individual policy on each insured 	<ul style="list-style-type: none"> - Individual life - Multiple life 	<ul style="list-style-type: none"> - Individual life 	<ul style="list-style-type: none"> - Joint first to die - Multiple life
DEATH BENEFIT OPTIONS	<ul style="list-style-type: none"> - Increasing or indexed 	<ul style="list-style-type: none"> - Increasing or indexed 	<ul style="list-style-type: none"> - Individual life 	<ul style="list-style-type: none"> - Joint first to die - Multiple life
COST OF INSURANCE	<ul style="list-style-type: none"> - YRT with Maximiser 	<ul style="list-style-type: none"> - YRT - Level 	<ul style="list-style-type: none"> - YRT with Maximiser - Level 	<ul style="list-style-type: none"> - YRT - Level
SOURCES OF FUNDING	<ul style="list-style-type: none"> - Child tax benefit - Income tax refund (RRSP) - 10% of gross family income 	<ul style="list-style-type: none"> - Child tax benefit - 5% of gross family income 	<ul style="list-style-type: none"> - Income tax refund (RRSP) - 10% of annual income 	<ul style="list-style-type: none"> - Income tax refund (RRSP) - Family budget surplus - 15% of gross family income
SOLVE FOR CALCULATION	<ul style="list-style-type: none"> - Premium - Target cash value 	<ul style="list-style-type: none"> - Premium - Insurance amount 	<ul style="list-style-type: none"> - Target cash value - Payment period 	<ul style="list-style-type: none"> - Premium - Payment period
RIDERS AND BENEFITS	<ul style="list-style-type: none"> - WPI - T-10 Plus 	<ul style="list-style-type: none"> - WPI - T-10 Plus 	<ul style="list-style-type: none"> - WPI 	<ul style="list-style-type: none"> - WPI - WPD
POLICY WITHDRAWALS	<ul style="list-style-type: none"> - Down payment for purchase of property - Mortgage reduction/payout 	<ul style="list-style-type: none"> - To fund university - Education - Emergency fund 	<ul style="list-style-type: none"> - Special projects - Supplement to retirement income 	<ul style="list-style-type: none"> - To fund university education - Family emergency fund
ADVANTAGES OF ODYSSEY	<ul style="list-style-type: none"> - No surrender charges after 6 years - Premium flexibility - Wide range of investment options 	<ul style="list-style-type: none"> - Minimum face amount of \$25,000 - Withdrawals from accumulation fund - Transfer of policy ownership possible 	<ul style="list-style-type: none"> - Performance of funds - Variety of funds - Calibre of fund manager - Interest bonus 	<ul style="list-style-type: none"> - Premium flexibility - Performance of fund - Variety of funds - Calibre of fund manager

The following table presents Odyssey's potential markets. It outlines some of the product's options and advantages offered to meet your client's needs.

It is a guide and should be interpreted as such. Categories will expand through your own experience as your sales increase.

EMPTY NESTERS	BUSINESS AND KEY PERSON	RETIREES	PLANNED CHARITABLE DONATIONS	EDUCATION SAVINGS PLAN
<ul style="list-style-type: none"> ▪ 50-65 years of age ▪ children have left home ▪ mortgage free ▪ availability of liquid assets ▪ average to superior income 	<ul style="list-style-type: none"> ▪ person whose death would have a negative impact on the business 			
<ul style="list-style-type: none"> - Protection against estate taxes - Policy for grandchildren - Reinvestment of funds to increase estate - Planned charitable donations - Joint first to die - Joint last to die 	<ul style="list-style-type: none"> - Protection of partners - Absorption of costs following death of key person - Tax shelter - Working capital - Retirement fund for shareholders - Individual life - Multiple life for key owners/shareholders, for key persons 	<ul style="list-style-type: none"> Life insurance RRSP and RRIF protection Estate planning - Joint first to die - Joint last to die - Individual life 	<ul style="list-style-type: none"> - Targeted protection - Legacy to favorite charity - Establishment of foundation in owner's name - Individual life 	<ul style="list-style-type: none"> - Protection - Insurance on child's life - Education fund for children - Individual life
<ul style="list-style-type: none"> - Increasing - Level 	<ul style="list-style-type: none"> - Increasing or indexed - Level - YRT with Maximiser 	<ul style="list-style-type: none"> - Increasing - Level 	<ul style="list-style-type: none"> - Level - Level 	<ul style="list-style-type: none"> - Level - YRT
<ul style="list-style-type: none"> - Cash available following mortgage payout - Higher propensity to 	<ul style="list-style-type: none"> Stock dividends - Investing at business taxation level (working capital) 	<ul style="list-style-type: none"> - Sums from RRIF, annuities 	<ul style="list-style-type: none"> - Annuity certain - RRIF (excess of sums) - Available cash 	<ul style="list-style-type: none"> - Child tax benefit - Income tax refund (RRSP) - Available cash
<ul style="list-style-type: none"> - Premium - Withdrawals 	<ul style="list-style-type: none"> - Premium - Withdrawals - Target cash value 	<ul style="list-style-type: none"> - Premium - Withdrawals 	<ul style="list-style-type: none"> - Premium - Payment period - WPI 	<ul style="list-style-type: none"> - Target cash value - WPI - WPD
<ul style="list-style-type: none"> - Additional retirement fund - Financial assistance to children and grandchildren for education or purchase of property - Performance of funds - Variety of funds - Calibre of fund manager - Guaranteed interest accounts 	<ul style="list-style-type: none"> - Emergency fund - Absorption of costs following death of key person - Can be adapted to meet the needs of the business and its shareholders - Multiple life coverages - Flexibility 	<ul style="list-style-type: none"> - As needed - Guaranteed interest accounts - Joint last to die policy - Estate planning - No surrender charges after 6 years 	<ul style="list-style-type: none"> - According to the needs of the institution - Premium flexibility - Tax-sheltered growth - Maximize returns through investment accounts - Tax-free death benefit - Withdrawals as needed 	<ul style="list-style-type: none"> - Tuition fees - Emergency fund for sick children - Substitution of insured - Premium flexibility - Variety of funds - Waiver of premiums

PRODUCT FEATURES

The purpose of this section is to give you a better understanding of the product, enabling you to better explain it to your clients. It includes a description of Odyssey's main features, namely:

- Death benefit
- Cost of insurance options
- Rate bands
- Annual premiums
- Premium charges
- Administration fees
- Service fees
- Interest bonus
- Investment options
- Surrender charges
- Cash surrender values
- Partial withdrawals
- Policy loans
- Substitution of insured
- Individual life policy
- Joint life - first to die policy
- Joint life - last to die policy
- Option – Changing from first-to-die to last-to-die
- Multiple life policy
- Maximiser option
- Disability benefit option

BASIC CHOICES

DEATH BENEFIT OPTIONS	LEVEL (Sum Insured)	INDEXED: 4% or 8% (Indexed Sum Insured)	INCREASING (Sum Insured + Fund)				
COST OF INSURANCE OPTIONS	YRT		LEVEL (available only with the level cost of insurance)				
INVESTMENT ACCOUNTS	<table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top;"> Interest Accounts 1. Daily Interest 2. One-year guaranteed interest 3. Three-year guaranteed interest 4. Five-year guaranteed interest </td> <td style="vertical-align: top;"> 8. Fixed Income 9. U.S. Equity 10. Canadian Small Capitalization Equity 11. Money Market 12. True North® 13. Europe 14. Harbour Growth & Income 15. Global Managers® Corporate Class 16. S&P/TSX 17. S&P 500 </td> </tr> <tr> <td style="vertical-align: top;"> Indexed Accounts 5. Balanced 6. Canadian Dividend 7. Canadian Equity </td> <td></td> </tr> </table>			Interest Accounts 1. Daily Interest 2. One-year guaranteed interest 3. Three-year guaranteed interest 4. Five-year guaranteed interest	8. Fixed Income 9. U.S. Equity 10. Canadian Small Capitalization Equity 11. Money Market 12. True North® 13. Europe 14. Harbour Growth & Income 15. Global Managers® Corporate Class 16. S&P/TSX 17. S&P 500	Indexed Accounts 5. Balanced 6. Canadian Dividend 7. Canadian Equity	
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Indexed Accounts 5. Balanced 6. Canadian Dividend 7. Canadian Equity							

CUSTOM DESIGNING A POLICY

A quick glance at the following table will ensure you'll never be at a loss when meeting clients. It shows the various combinations allowed under Odyssey and reflected in the illustration software.

CHOICES ACCORDING TO TYPE OF UNIVERSAL COVERAGE

Choices	Individual • one coverage only *	Joint first to die • maximum 5 lives • one coverage only*	Joint last to die • maximum 2 lives • one coverage only	Multiple life • maximum 8 coverages • Individual and Joint first to die only	
Death benefit and Cost of insurance	Level - YRT Indexed - YRT Increasing - YRT or Level	Level - YRT Indexed - YRT Increasing - YRT or Level	Level - YRT Indexed - YRT Increasing - YRT or Level	Increasing - YRT or	
Minimum face amount	Level: \$25,000 YRT: \$50,000	Level: \$25,000 YRT: \$50,000	Level: \$25,000 YRT: \$50,000	Level: \$25,000 YRT: \$50,000	
Maximiser	with Increasing - YRT Death benefit of more than \$100,000 at issue	with Increasing - YRT Death benefit of more than \$100,000 at issue	no	no	
Substitution of insured	no	with Increasing - YRT	no	with Increasing - YRT	
Riders and benefits	WPI WPD T-10 Plus AD&D DI CIR	WPI WPD T-10 Plus CIR	WPI WPD T-10 Plus	Individual coverages WPI ** WPD ** T-10 Plus AD&D CIR DI	Joint first to die WPI ** WPD ** T-10 Plus CIR

* After issue, if the death benefit is increasing, it is possible to add new universal life coverages except if Maximiser has been chosen.

**In a multiple life policy, premiums to be waived will be treated as a whole at the policy level; they are not attached to a specific coverage.

DEATH BENEFIT

Odyssey offers three death benefit options:

• LEVEL:

- equal to the sum insured;
- available only with yearly renewable term (YRT) cost of insurance;
- if this option is chosen for an individual or joint policy, it will not be possible to add other universal life coverages afterwards;
- should the fund exceed the death benefit, the accumulation fund becomes the death benefit amount.

• INDEXED:

- equal to the sum insured multiplied by 104% or 108% on each anniversary of the coverage;
- available only with YRT;
- underwriting is based on double the sum insured;
- the indexation period will not exceed the nearest of the 20th anniversary of the coverage or the insured's attained age 65.

• INCREASING:

- equal to the sum insured plus the accumulation fund;
- in the case of a multiple life contract, the accumulation fund is payable only at the death of the last survivor;
- if this is a joint life - last to die policy, 85% of the fund is payable at the first death.

CHANGING THE DEATH BENEFIT OPTION

The death benefit option may be changed in the following manner:

FROM	To	ADJUSTMENTS
Level	Increasing	- The sum insured will be reduced by the amount of the accumulation fund.
Level	Indexed	- No adjustment required (YRT only) - Proof of insurability required
Increasing	Level	- The sum insured is increased by the amount of the accumulation fund.
Indexed	Level	- Indexation ends

Note: The death benefit option may be changed after the first year. To change option from increasing to level, there must only be one universal coverage. A change of option may cause a change of rate band.

COST OF INSURANCE OPTIONS

- **Yearly renewable term (YRT):**

The cost per \$1,000 of death benefit increases at each anniversary of the coverage. This option is renewable until the insured's attained age 105, at which time premium payment ends and coverage continues until death.

- **Level cost of insurance:**

The cost per \$1,000 of death benefit remains the same for the duration of the coverage until the insured's attained age 105, at which time premium payment ends and coverage continues until death.

Note: The insured may change from YRT to level (but not the opposite) before the attained age and, if applicable, the equivalent attained age of 70. In all cases, changes will be made based on the attained age and at the insurance rates in effect at the date of the change.

RATE BANDS

Odyssey offers four rate bands:

\$25,000 to \$49,999	(Level cost of insurance)
\$50,000 to \$99,999	(Level and YRT cost of insurance)
\$100,000 to \$499,999	(Level and YRT cost of insurance)
\$500,000 and over	(Level and YRT cost of insurance)

MINIMUM ANNUAL PREMIUM

The minimum annual premium is the minimum amount required to pay the real cost of insurance and establish a reasonable account value. This minimum premium must be increased if riders or benefits are added. This amount does not guarantee the policy will remain in force and the client may be asked to deposit additional funds to prevent his policy from lapsing.

MAXIMUM ANNUAL PREMIUM

The maximum annual premium is the maximum amount Assumption Life will accept for the contract on a regular basis.

At each anniversary date, we will perform a test to determine tax exempt status. If the policy no longer meets exemption criteria, we will apply one of two corrective measures in the 60 days following the anniversary:

- **Transfer of excess amount to a non-registered daily interest annuity**

If the excess amount is \$500 and over, this measure will be applied unless the customer submits a written request to the contrary. Sums transferred may later be redeposited in the universal life policy at the client's request.

- **Reimbursement to the client of amounts of less than \$500.**

Note: Portions of the amounts transferred or reimbursed may be taxable. Interest gained is taxable.

PREMIUM CHARGES

Assumption Life will levy on each premium paid charges equal to 2% of any such premium. Future changes to fiscal laws could effect a readjustment of this percentage amount.

ADMINISTRATION FEES

Monthly administration fees will be withdrawn at the monthly anniversary date of the policy and are as follows:

BASIC UNIVERSAL LIFE COVERAGE

\$10 (coverage of \$100,000 and over)
\$5 (coverage of less than \$100,000)

ADDITIONAL UNIVERSAL LIFE COVERAGE

\$7 (coverage of \$100,000 and over)
\$2 (coverage of less than \$100,000)

SERVICE FEES

There are no fees for the first two transactions each policy year. For additional transactions, fees of \$25 (based on current fee structure) will be deducted from the accumulation fund at the date of the transaction. Such transactions include:

- transfers between investment accounts
- change in the percentage of allocation for each investment account
- partial withdrawal and policy surrender
- change of death benefit option
- change of cost of insurance option
- substitution of insured
- riders or supplementary benefits issued after the effective date of the contract
- reinstatement of the contract
- policy loans
- change from smoking to non-smoking class
- decrease of sum insured or cancellation of a benefit
- illustration requested after the policy has been issued

Note: There will be a \$25 charge for all NSF cheques even if no other transactions are made in the policy year.

INTEREST BONUS

The interest bonus is an additional interest credit which applies to the index accounts only. It will be credited monthly, starting at the beginning of the 7th year.

1.30%	year 7 to 19	(i.e. 0.1077% on a monthly basis)
1.55%	year 20 to 29	(i.e. 0.1283% on a monthly basis)
1.80%	year 30 and over	(i.e. 0.1488% on a monthly basis)

The interest bonus **does not** apply to the daily interest account nor the guaranteed interest accounts.

INVESTMENT OPTIONS

There are 17 investment accounts available with this policy. The client chooses the percentage of his premiums to be allocated among the accounts chosen. Each complete \$100 of planned annual premium enables the client to choose one investment account. For example, with a premium of \$760, a client may access a maximum of seven accounts.

GUARANTEED INTEREST ACCOUNTS:

The highest amount between the interest rate as calculated below and the applicable minimum guaranteed interest rate will be credited to the guaranteed interest account.

Interest Accounts	Interest Rate (on an annual basis)	Minimum Guaranteed Interest Rate (on an annual basis)
Daily Interest	D.I.R.	--
1-year Guaranteed Interest	(90% x YTB) less 1.00%*	1.00%
3-year Guaranteed Interest	(90% x YCB) less 1.00%*	1.25%
5-year Guaranteed Interest	(90% x YCB) less 1.00%*	1.50%

D.I.R. = The yearly interest rate as determined by us from time to time for our Odyssey universal life insurance policies.

Y.T.B. = Annualized yield of 1-year Canada Treasury Bills, as set by the Bank of Canada on the third Wednesday of the month preceding the month for which we must calculate the yield to be credited, or on any other intermediate date that we may determine.

Y.C.B. = Yield of Canada Bonds of similar duration, as set by the Bank of Canada on the third Wednesday of the month preceding the month for which we must calculate the yield to be credited, or on any other intermediate date that we may determine.

* The calculation of the interest rate for the 1-year, 3-year and 5-year guaranteed interest account takes into account a reduction of 1.00%. That percentage could be increased to a maximum of 2.20%. If such an increase occurs, you will receive a 30-day prior notice. At the end of this 30-day period, the modifications will be applicable to all new premium deposits as well as all deposit renewals upon expiry of the investment term.

DAILY RETURN ON INDEX Accounts:

a) For the index accounts in table 1, the yield is the higher result between formula 1 and formula 2.

b) For the index accounts in table 2, the yield is the result of formula 2.

Formula 1 : if $B > A$, $90\% \times \frac{(B - A) - (C \times D)}{A}$; if $B < A$, $110\% \times \frac{(B - A) - (C \times D)}{A}$

Formula 2 : $100\% \times \frac{(B - A) - (C \times E)}{A}$

- A, represents the index’s unit value without fee in Canadian currency, at the end of the working day, two working days earlier;
- B, represents the index’s unit value without fee in Canadian currency, adjusted for dividends, at the end of the working day, one working day earlier;
- C, represents the number of calendar days separating the working day determined in B and the working day determined in A;
- D and E, represent the rates applicable to each index accounts in tables 1 and 2 below:

Table 1

Index Accounts	D Formula 1*	Annual Equivalent	E Formula 2*	Annual Equivalent
Balanced	0.0054%	2.00%	0.0085%	3.17%
Canadian Dividend	0.0061%	2.25%	0.0085%	3.17%
US Equity	0.0061%	2.25%	0.0085%	3.17%
Fixed Income	0.0061%	2.25%	0.0085%	3.17%
Money Market	0.0054%	2.00%	0.0085%	3.17%
Canadian Equity	0.0061%	2.25%	0.0085%	3.17%
Canadian Small Cap. Equity	0.0061%	2.25%	0.0085%	3.17%

Table 2

Index Accounts	E Formula 2*	Annual Equivalent
True North®	0.0101%	3.75%
Europe	0.0102%	3.80%
Global Managers® Corporate Class	0.0101%	3.75%
Harbour Growth and Income	0.0097%	3.60%
S&P 500	0.0081%	3.00%
S&P/TSX	0.0081%	3.00%

* The applicable rates are adjusted during a leap year to take into account the additional day.

Assumption Life reserves the right to increase the applicable rates in tables 1 and 2. However, the applicable rates in column D will not exceed 0.0081% (annual equivalency 3%) and the ones in column E will not exceed 0.0121% (annual equivalency 4.50%).

Addition and elimination of investment accounts

We reserve the right to add or eliminate investment accounts – daily interest account, guaranteed interest accounts and index accounts - without your approval. We will give you thirty (30) days prior notice of the elimination of any investment account. You will then be able to transfer the value of the eliminated investment account, without fees, to other available investment accounts.

SURRENDER CHARGES

Surrender charges equal a multiple of the annual minimum premium for each universal life coverage (YRT and level).

There are no surrender charges on riders.

Surrender charges represent a variable multiple of the minimum premium on each universal life coverage with a duration of less than six years.

Completed Months since the Coverage Date	Surrender Fee Factor	Completed Months since the Coverage Date	Surrender Fee Factor	Completed Months since the Coverage Date	Surrender Fee Factor	Completed Months since the Coverage Date	Surrender Fee Factor
0	4%	19	117%	38	213%	57	208%
1	8%	20	125%	39	217%	58	204%
2	13%	21	133%	40	221%	59	200%
3	17%	22	142%	41	225%	60	196%
4	21%	23	150%	42	229%	61	192%
5	25%	24	154%	43	233%	62	188%
6	29%	25	158%	44	238%	63	183%
7	33%	26	163%	45	242%	64	179%
8	38%	27	167%	46	246%	65	175%
9	42%	28	171%	47	250%	66	171%
10	46%	29	175%	48	246%	67	167%
11	50%	30	179%	49	242%	68	163%
12	58%	31	183%	50	238%	69	158%
13	67%	32	188%	51	233%	70	154%
14	75%	33	192%	52	229%	71	150%
15	83%	34	196%	53	225%	72 +	0%
16	92%	35	200%	54	221%		
17	100%	36	204%	55	217%		
18	108%	37	208%	56	212%		

CASH SURRENDER VALUES

ACCUMULATION FUND CASH SURRENDER VALUE

The cash surrender value of the accumulation fund equals the value of the accumulation fund less surrender charges and policy loans. Any portion of the cash surrender value of the accumulation fund which is based on the value of an indexed account is not guaranteed as it may fluctuate according to the yield of the index pertaining to the account.

GUARANTEED CASH SURRENDER VALUE FOR LEVEL COST OF INSURANCE

With the level cost of insurance, the client is entitled to a guaranteed cash surrender value. This amount is available, starting at the end of the tenth year of insurance, at the time of policy surrender or reduction of sum insured. The guaranteed cash surrender value is reduced by the amount of policy loans.

CASH SURRENDER VALUES (CONT.)

GUARANTEED CASH SURRENDER VALUES PER \$1,000 UNIT

Attained age	Cash surrender value	Attained age	Cash surrender value	Attained age	Cash surrender value
10	5.00	50	22.50	90	180.00
11	5.10	51	24.45	91	202.00
12	5.20	52	26.40	92	224.00
13	5.30	53	28.35	93	246.00
14	5.40	54	30.30	94	268.00
15	5.50	55	32.25	95	290.00
16	5.60	56	34.20	96	312.00
17	5.70	57	36.15	97	334.00
18	5.80	58	38.10	98	356.00
19	5.90	59	40.05	99	378.00
20	6.00	60	42.00	100	400.00
21	6.15	61	44.45	101	430.00
22	6.30	62	46.90	102	460.00
23	6.45	63	49.35	103	490.00
24	6.60	64	51.80	104	520.00
25	6.75	65	54.25	105	550.00
26	6.90	66	56.70	106	580.00
27	7.05	67	59.15	107	610.00
28	7.20	68	61.60	108	640.00
29	7.35	69	64.05	109	670.00
30	7.50	70	66.50	110	700.00
31	8.00	71	69.45	111	730.00
32	8.50	72	72.40	112	760.00
33	9.00	73	75.35	113	790.00
34	9.50	74	78.30	114	820.00
35	10.00	75	81.25	115	850.00
36	10.50	76	84.20	116	880.00
37	11.00	77	87.15	117	910.00
38	11.50	78	90.10	118	940.00
39	12.00	79	93.05	119	970.00
40	12.50	80	96.00	120	1,000.00
41	13.50	81	104.40	Cash surrender values begin at duration 10. They are adjusted as follows for all ages at issue. Duration 10: 10% 15: 60% 11: 20% 16: 70% 12: 30% 17: 80% 13: 40% 18: 90% 14: 50% 19 and + : 100%	
42	14.50	82	112.80		
43	15.50	83	121.20		
44	16.50	84	129.60		
45	17.50	85	138.00		
46	18.50	86	146.40		
47	19.50	87	154.80		
48	20.50	88	163.20		
49	21.50	89	171.60		

CASH SURRENDER VALUES (CONT.)

NONFORFEITURE OPTION

Should the accumulation fund become exhausted, we will grant automatic loans against the guaranteed cash surrender values in order to keep the policy in force.

NET CASH SURRENDER VALUE

Should the accumulation fund become exhausted, we will grant automatic loans against the guaranteed cash surrender values in order to keep the policy in force. The net cash surrender value is the cash surrender value of the accumulation fund, less any market value adjustment* applicable at that time, plus the guaranteed cash surrender value.

PARTIAL WITHDRAWALS

In the case of a partial withdrawal, the accumulation fund, the cash surrender value of the accumulation fund and the sum insured (if death benefit is level) will be reduced by an amount which equals the partial withdrawal. Partial withdrawals will be prorated based on the investment in each account unless the customer requests otherwise. The minimum amount allowed for withdrawals is \$500.

Partial withdrawals may cause market value adjustments*.

* When a partial withdrawal, a surrender or an account transfer affects the 1-year, 3-year and 5-year guaranteed interest accounts, a market value adjustment will be made using the formula $M \times (j-i) \times n$, whereby:

- M** = value of deposit in the fund
- j** = interest rate on new deposits of same duration
- i** = interest rate of deposit
- n** = remainder of guaranteed period

LOANS

A loan against the net cash surrender value may be granted. Such loan may total a maximum of 85% of the cash surrender value pertaining to the daily or guaranteed interest accounts and of the guaranteed net cash surrender value, less a reduction for cumulative amount of previous loans and unpaid interest, if applicable. The interest rate on the loan will be the applicable rate charged at the time the loan is granted.

Note: The amount of any unpaid loan plus accrued and unpaid interest must be reimbursed when the contract is surrendered or upon death of the insured.

SUBSTITUTION OF INSURED

In certain circumstances, an insured under a universal life contract may be substituted by another at the request of the contract owner. Assumption Life requires evidence of insurability on the life to be insured, as well as an administration fee which will be applied against the contract's investment account value.

INDIVIDUAL LIFE POLICY

An individual life policy is established on the life of one insured only. Options pertaining to death benefit, cost of insurance and riders and benefits have been designed to adapt to current market demand.

JOINT LIFE - FIRST TO DIE POLICY

Between two and five persons may be insured as long as the equivalent age of all insureds is between 15 days and 80 years. The premium, the monthly administration fees and the surrender charges are based on a single equivalent age for all insureds. The death benefit is payable following the first death.

Following the first death, the coverage offered may be converted to a new individual or joint policy on the life of each surviving insured whose attained age has not reached 70. The total sum insured for a new policy may not exceed 100% of the sum insured of the joint life first to die policy. This right must be exercised within 90 days of the first death.

Note: Following the first death, each surviving insured whose attained age is less than 70 and for whom no conversion of coverage has been exercised will automatically be covered under a 90-day maximum term insurance policy. The amount payable will be equal to the sum insured under this coverage.

Only one claim may be covered under all term insurance policies offered by Assumption Life. No additional deaths will be covered during this period. The term insurance ceases to be in force once the policy is converted to a new policy.

JOINT LIFE INSURANCE - LAST TO DIE POLICY

This coverage is for a maximum of two insureds as long as their real age at their nearest birthday plus their equivalent age are between 18 and 80. Premiums are payable until the last death. The death benefit is only payable at the last death.

If the death benefit option is increasing, 85% of the accumulation fund cash surrender value is payable at the first death; the remainder is payable at the last death.

A joint life - last to die policy may be changed by the policyowner to individual universal life policies (maximum of 50% of the sum insured of the joint policy for each insured) in the following cases:

- I. Divorce between two insureds.
- II. Dissolution of the business for which the coverage was purchased or for which both insureds were employees, shareholders or officers, or the departure of one of the insureds from the business.
- III. In the event of amendments to fiscal laws affecting in a material way the reason for which the joint life - last survivor policy was purchased.

OPTION – CHANGING FROM FIRST-TO-DIE TO LAST-TO-DIE

You can modify a first-to-die joint life insurance (2 persons) into a last-to-die joint life insurance.

I. Target Market

- Couples;
- Clients aged 30 to 50 years;
- Entrepreneurs or Professionals;
- Steady couple with children;
- Clients with above average income;
- Potential for increase in value of estate.

II. Benefits

- Makes it possible to adjust the protection to a couple's changing needs (e.g., taxation on second death);
- Does not require proof of insurability;
- Retains original issue date after the change (i.e., does not start over at date zero for surrender fees and interest bonuses);
- Is not treated as an assignment for taxation purposes (according to current regulations);
- When first death occurs on a joint last-to-die policy with an increasing death benefit, 85 % of the accumulated fund can be used as death benefit;
- A change to joint last-to-die will generate a lower equivalent age (in comparison with joint first-to-die). This change could signal the proper moment to consider modification from the YRT insurance cost to a level insurance cost. This will enable you to avoid future increases in YRT costs.

III. Terms

- The first-to-die joint life insurance is limited to two insured only;
- This change is available at year 16 or later;
- New joint last-to-die equivalent age determined based upon ages on the nearest anniversary of the contract before the date of the change;
- A YRT to YRT annual renewable insurance costs or a YRT to a level insurance cost change can be done;
- As for changes from YRT to level insurance cost, the renewal commission at the attained duration is applied to the new minimum premium;
- The insurance contract is limited to one universal life coverage only;
- The illustration system reflects this concept.

Please note:

The maximum amount that may be accumulated in a tax shelter is recalculated using the new joint last-to-die equivalent age, which reduces the maximum allowed. Customers may then have to arrange for partial surrender due to the difference between the total funds accumulated and this new maximum.

MULTIPLE LIFE POLICY

With Odyssey the client may include up to eight universal life coverages on one policy. The increasing death benefit option must be chosen. All cost of insurance options are available. The minimum sum insured at policy issue is \$25,000 per insured (15 days to 80 years) for level cost of insurance and of \$50,000 per insured (15 days to 80 years) for YRT cost of insurance.

The joint life last-to-die policy is not available under a multiple life policy.

MAXIMISER OPTION

The Maximiser option was designed to provide for a reduction of the sum insured to its lowest level while maintaining the policy's tax exempt status. This option, which takes effect as of the fifth anniversary, enables the client to maximize his investments by applying a greater portion of the annual premium to investment accounts.

The Maximiser option is offered on a contract comprised of only one universal life with yearly renewable term (YRT). The death benefit must be increasing. This option may be chosen at policy issue or later, but once it has terminated it may not be reinstated.

Note: The sum insured may not be reduced to an amount less than \$100,000 before age 85; it may be reduced to 0 as of age 85. The client may also specify the minimum insurance amounts before and after age 85 as long as these amounts are higher than those previously established.

DISABILITY BENEFIT OPTION

BENEFIT

In the event the insured becomes totally disabled, and upon a written request from the owner of the Policy, an amount up to 85% of the accumulation fund surrender value will be paid to the owner of the policy (and not to the insured).

MINIMUM AMOUNT: \$500

ELIGIBILITY

This option applies only when the Insured's total disability commenced while the universal life insurance coverage was in force; and the Insured has been disabled for at least 60 consecutive days. Only one payment will be made per year, per cause of disability.

ADJUSTMENT

Level death benefit: The sum insured and the accumulation fund will be reduced by the amount paid under this benefit.

Increasing death benefit: The accumulation fund will be reduced by the amount paid under this benefit.

TOTAL DISABILITY

Total disability is a condition that results from an accidental injury or an illness that requires the care of a licensed physician and that prevents the insured from engaging, for compensation, in any work, occupation or business for which he or she is reasonably suited as a result of his or her education, training or experience.

Total disability is also a critical health condition that:

- a) significantly prevents the insured from performing one or more of the basic activities of daily living, even with treatment and the assistance of appropriate apparatus or medication;
- b) has been diagnosed as terminal by a physician and is expected to result in the death of the insured within 24 months;
- c) will cause permanent and total loss of sight, hearing or speech or the permanent and total loss of use of both hands, both feet, or one hand and one foot.

* We make no representations as to the tax consequences of this disability benefit.

RIDERS AND BENEFITS

RIDERS AND SUPPLEMENTARY BENEFITS

ACCORDING TO COVERAGE TYPE

	INDIVIDUAL	JOINT
Waiver of premiums for disability	X	X
Waiver of premiums for death	X	X
Accidental death and dismemberment	X	
Disability income	X	
Child insurance rider	X	First-to-die
T-10 Plus	X	X

Note: AD&D must be issued at the same time as the life insurance coverage to which it is attached. All other riders and supplementary benefits may be added at any monthly anniversary of the contract.

YRT and level universal life policies may be issued at any time as independent coverages; conditions applying to multiple life policies must then be met. (Example: only available for increasing death benefit option)

WAIVER OF PREMIUMS FOR DISABILITY (WPI)

Provides for the waiver of premium level chosen during the total disability of the insured, after a four-month waiting period.

- Available for the payer, owner or spouse aged 18 to 55 years (maximum 2 persons).
- Available at contract issue date;
- afterwards any request to increase or add waiver of premiums to a new rider will be treated as a new request for the entire contract.
- The disability must begin before age 60.
- The waiver of premium benefit must not exceed the lowest of the following amounts:
 1. the amount of premiums paid during a period of 12 consecutive months in the 24 months preceding the disability*;
 2. the total maximum premium of the contract at the date the disability began; or
 3. \$1,000 per month.

* If the amount paid is lower than the minimum premium, we will use the amount of the minimum premium as long as the client is insured for that amount.

RIDERS AND BENEFITS (CONT.)

WAIVER OF PREMIUMS FOR DEATH (WPD)

Provides for the waiver of premium level chosen as of the death of the insured.

- Available for the payer, owner or spouse aged 18 to 55 years (maximum 2 persons).
- The waiver of premium benefit must not exceed the lowest of the following three amounts:
 1. the amount of premiums paid during a period of 12 consecutive months in the 24 months preceding death less the minimum premium of the deceased insured*;
 2. the total maximum premium of the contract pertaining to persons other than the deceased insured at date of death; or
 3. \$1,000 per month.
- The waiver period must not exceed the earliest of the following dates:
 1. the anniversary date of the waiver of premium rider which is closest to the date when the insured would have reached age 65; or
 2. the date of the 20th anniversary of the waiver of premiums for death rider.
- The minimum level of premiums insured is the total minimum premiums from all coverages, all riders and all benefits pertaining to persons other than the insured for waiver of premiums for death; the maximum is \$1,000 per month.

* If the amount paid is lower than the minimum premium pertaining to persons other than the deceased insured, we will use the amount of the minimum premium pertaining to persons other than the deceased insured as long as the client is insured for that amount.

ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

Provides for the payment of the sum insured if one of the following events occurs before the insured reaches age 65: accidental death (in the 90 days following the accident); or loss of two of the following: hands, feet, eyes, or 50% of sum insured for loss of one of these only.

- Ages 15 days to 55 years.
- Available for T-10.
- Must be issued at the same time as the coverage to which it is attached.
- The maximum amount available under all policies with Assumption Life is \$300,000.

RIDERS AND BENEFITS (CONT.)

DISABILITY INCOME (DI)

Provides for payment of a monthly income during the continuing total disability, after a four-month waiting period.

- Available for persons aged between 18 and 50.
- Monthly income cannot exceed 75% of the insured's average income during the twelve months preceding the beginning of the disability.
- Disability must begin before age 60; should the insured become disabled, monthly income will continue to age 65.
- Minimum: \$50/month.
- Maximum: 2% of death benefit amount per insured on the contract without exceeding 75% of the average monthly income of the insured during the three years preceding the issue date of the benefit, including any amount already in force with other insurance companies.
- Premium per unit of \$10 of monthly income.

CHILD INSURANCE RIDER (CIB)

This rider offers term insurance protection on the life of each unmarried child of the insured (natural or adopted) who is dependent on the insured for his subsistence and is born at the time the rider comes into effect or later. The child must be at least 15 days of age but less than 18 years old.

- Minimum: The minimum for this rider is \$10,000.
- Maximum: The maximum is \$20,000 including all other policies in force with Assumption Life which carry a CIB rider.
- Issue age: The insured parent must be between 18 and 60.
- Maturity date: The coverage for each insured child terminates at the earliest of the following dates:
 1. the child's 21st birthday or, if he registered as a full-time student in a recognised teaching institution,
 2. his 25th birthday; or
 3. the anniversary of the rider nearest the 65th birthday of the insured's.
- Conversion: In the 90 days preceding the maturity date of this rider, the term life insurance on each insured child may be converted to a permanent life insurance without proof of insurability. This permanent life insurance becomes effective on such maturity date.
- Amount of conversion: The permanent life insurance on each insured child cannot exceed five times the sum insured under this rider. (Maximum of \$100,000 including the conversion of any other CIB rider in-force with Assumption Life).

RIDERS AND BENEFITS (CONT.)

T-10 PLUS

Term life insurance policy offering preferred and elite rates for certain risk categories.

- **Five rate classes:** standard nonsmoking; preferred non-smoking; elite non-smoking; standard smoking; preferred smoking.
- Available from 18 to 65 years of age.
- Renewable to age 80.
- Convertible to age 65.

RATE BANDS

\$50,000 - \$99,999	45 to 65 years standard
\$100,000 - \$249,999	18 to 65 years standard 35 to 65 years preferred 35 to 65 years elite
\$250,000 - \$999,999	18 to 65 years standard 18 to 65 years preferred 18 to 65 years elite
\$1 M and over	18 to 65 years standard 18 to 65 years preferred 18 to 65 years elite

* Over \$5 M - on approval by head office.

TYPES OF INVESTORS

What type of investor is your client?

It is very important to advance the investment option that best suits your client's goals and priorities. His age, his income, his tolerance for risk and his attitude towards fund volatility will all impact on his decision.

While security is fundamental for some investors, others prefer to risk more in hopes of realizing greater gains.

The following descriptions are meant to serve as a guide. The categories are therefore not mutually exclusive.

1. THE EXTREMELY CAUTIOUS INVESTOR

- The extremely cautious investor doesn't want to take any risks and invests in guaranteed interest accounts.
- He wants maximum security for his investments and a guaranteed return.

2. THE CAUTIOUS INVESTOR

- For the cautious investor, it is important to keep risk at a minimum; he therefore chooses investment accounts showing low volatility.
- He would rather get a lower but guaranteed rate of return than risk losing any capital.

3. THE MODERATE INVESTOR

- The moderate investor prefers combining the security of guaranteed investments with the greater income potential of judicious risk-taking.
- He chooses investment accounts showing a moderate level of volatility.
- He can accept moderate risk with some, but not all, of his savings.

4. THE AGGRESSIVE INVESTOR

- The aggressive investor is prepared to risk losing money on some investments in hopes of greater overall return.
- He chooses investment accounts showing a high level of volatility.
- He willingly accepts the risk of loss if there is good potential for long-term gain.

5. THE VERY AGGRESSIVE INVESTOR

- The very aggressive investor is willing to take major risks with his money to obtain a very high return.
- He invests in indexed accounts based on Canadian and foreign equity funds with a high level of volatility.
- He understands the concept of volatility and accepts the periodical declines of the value of his investments.

INVESTMENT ACCOUNTS

▪ **Daily interest account**

The daily interest account will bear interest at the annual rate determined from time to time by Assumption Life for our Odyssey universal life policies. This rate cannot be negative.

▪ **Guaranteed interest accounts**

Three guaranteed interest accounts are presently offered. Safe investments with guaranteed return rates of 1.00%, 1.25% and 1.50% respectively on 1-year, 3-year and 5-year guaranteed interest accounts.

INDEX ACCOUNTS BASED ON THE PERFORMANCE OF THE FOLLOWING FUNDS*:

• Balanced Fund

The fundamental investment objective of the Fund is to achieve, through diversification of its investments, a maximal return, a reasonable current income and growing capital over a long-term horizon. The Portfolio has a strategic asset allocation and invests in other underlying funds. The underlying funds invest primarily in Canadian and foreign common shares and convertible equivalents, high-quality fixed-income vehicles, and, to a lesser extent, short-term money market securities.

In order to achieve the investment objective, the manager does the following:

- Begins its decision-making process with a global analysis of structural and cyclical trends.
- Conducts a macroeconomic analysis of the major regions of the world.
- Determines the weighting of each asset class according to the risks and opportunities anticipated by it.
- Adopts a selection process that is the result of a team approach using several specialized portfolio managers.

• Canadian Dividend Fund

The principal investment objectives of the Fund is to achieve long term capital appreciation, through a combination of capital gains, income, dividends or other return of capital, by principally investing in the equity securities (or equivalent) of Canadian Companies. Normally, the Fund as a whole will be invested in order to achieve an attractive distribution on capital.

The Fund will invest in companies that have well understood and attractive business operations, where the operation outlook is favorable, where the financial risk is low and where valuations are attractive. It is expected that the Fund will own securities of 20 to 50 issuers. As part of the stock selection process, the Fund will consider a company's earnings payout policy.

• U.S. Equity Fund

The principal investment objectives of the Fund is to achieve long term capital appreciation through a combination of capital gains, income, dividends or other return of capital, by principally investing in equity securities (or equivalent) of companies listed on a United States stock exchange or having substantial United States operations.

The Fund will generally invest in companies that have well understood and attractive business operations, where the operation outlook is favorable, the financial risk low and where valuations are attractive. It is expected that the Fund will hold securities of 20 to 50 issuers.

• Fixed Income Fund

The principal investment objective of the Fund is to generate reliable income while emphasizing capital preservation. The Fund will seek to achieve a reasonable rate of return over time arising from interest and capital gains.

The Fund will invest primarily in a portfolio of Canadian-based fixed-income assets denominated in Canadian currency. The Fund will hold bonds of quality issuers that are considered to offer attractive risk adjusted returns both on an absolute and relative basis and will employ effective diversification, relative value and credit risk analysis. It is expected that the Fund will hold securities of 10 to 40 different issuers with a maximum issuer exposure limit of 10% per issuer.

• Money Market Fund

The principal investment objective of the Fund is to preserve capital and maintain liquidity while at the same time generating income through interest and capital gains.

The Fund will invest in a portfolio of Canadian-based money market and short-term debt instruments issued by federal, provincial and municipal governments as well as corporations and special purpose entities. The Fund will hold only securities having maturity dates of one year or less denominated in Canadian currencies. It is expected that the Fund will own securities of 10 to 40 different issuers with maximum issuer exposure limits of 10% per issuer. The Fund will not invest in structural debt securities including asset-backed commercial paper and asset-backed securitization.

• Canadian Equity Fund

The principal investment objectives of the Fund is to achieve long term capital appreciation through a combination of capital gains, income, dividends or other return of capital, by investing principally in equity securities (or equivalent) of issuers listed on a Canadian stock exchange or having substantial Canadian operations (“Canadian Companies”).

The Fund will invest in companies that have well understood and attractive business operations, where the operation outlook is favorable, where the financial risk is low and where valuations are attractive. It is expected that the Fund will own securities of 20 to 50 issuers.

• Canadian Small Capitalization Equity Fund

The fundamental investment objective of this Fund is to invest mainly in such common shares and other equity investments, including securities convertible into or exchangeable for common shares, and qualifying for tax-deferred plans of Canadian and foreign issuers estimated to offer a significant growth potential. Most of the portfolio will be invested in companies with a capitalization of less than \$2 billion at the time of purchase.

In order to achieve the investment objective, the manager does the following:

- Focuses on bottom-up security selection although top-down considerations may, to a lesser extent, come into play at times.
- Attempts to balance an appreciation of a company's strengths and growth prospects with a fundamental analysis of its absolute and relative market evaluation.
- Regularly visits companies in its target investment universe.
- Performs a fundamental analysis and a detailed assessment of company management.

• True North® Fund

This Fund aims to achieve long-term capital growth. It invests primarily in equity securities of Canadian companies.

When buying and selling securities for the Fund, the manager examines each company's potential for success in light of its current financial condition, its industry position and economic and market conditions. Factors like growth potential, earnings estimates and quality of management are considered. The Fund may invest in small, medium and large companies. It may invest in foreign securities up to the foreign content limit and may hold cash and fixed-income securities.

• Europe Fund

This Fund aims to achieve long-term capital growth. It invests primarily in equity securities of companies in the United Kingdom and continental Europe, including the European Community and the European Free Trade Association.

When buying and selling securities for the Fund, the manager examines each company's potential for success in light of its current financial condition, its industry position and economic and market conditions. The manager considers factors like growth potential, earnings estimates and quality of management. The Fund may invest in small, medium and large companies and may hold cash and fixed-income securities.

• Global Managers® Corporate Class Fund

This Fund's objective is to obtain maximum long-term capital growth. It invests in equity and equity-related securities of companies around the world. The Fund uses a 'multi-manager' approach, which means it is managed by more than one portfolio adviser.

The Fund's assets are divided in approximately equal portions among the portfolio advisers and are periodically rebalanced. The portfolio advisers analyze the global economy and industries. Based on this analysis, they identify the countries and then the companies that they believe offer potential for strong growth. The respective portfolio managers may use different investment styles.

• Harbour Growth and Income Fund

This Fund's objective is to obtain long-term return through a prudent balance of income and capital appreciation. It invests primarily in equity and equity-related securities of mid- to large-capitalization Canadian companies and fixed income securities issued by governments and companies in Canada.

The portfolio adviser may use techniques such as a fundamental analysis to assess growth and value potential. This means evaluating the financial condition and management of each company, its industry and the overall economy. For the fixed income portion of the Fund, the portfolio adviser may also analyze: the yield curve, expected changes in interest rates, credit ratings and credit risk, the issuer's ability to generate enough cash to service debt and reinvest in its business over the long term.

• S&P/TSX Composite Index

The S&P/TSX Composite Index is a leading barometer for the Canadian equity market. The number of companies in the Index is allowed to float in such a manner that companies added must meet all of S&P's criteria for index inclusion. The size of the S&P/TSX Composite and its broad economic sector coverage are what make it the premier indicator of market activity for Canadian equity markets.

- **S&P 500 Index**

The S&P 500 Index is a leading barometer for the US equity market. It consists of 500 of the largest (measured by market capitalization) and most liquid (heavily traded) stocks listed in the US.

* Note : Performance of index accounts may vary based on market fluctuations and results credited by Assumption Life. They are therefore not guaranteed.