



Wawanesa
Life

The Wawanesa Life Insurance Company Individual Savings and Investment Plans

Information Folder

THIS IS NOT AN INSURANCE CONTRACT

- Guaranteed Retirement Annuity (GRA)
- Guaranteed Investment Annuity (GIA)
- Retirement Income Fund (RIF)

The Wawanesa Life Insurance Company is the sole issuer of the individual variable insurance contract and the provider of the guarantees described in this information folder.

KEY FACTS EXECUTIVE SUMMARY

about Wawanesa Life's

Individual Savings and Investment Plans

This summary briefly describes the basic things you should know before you apply for this individual variable insurance contract. This summary is not your contract. A full description of all the features and how they work is contained in this information folder, your contract and the Fund Facts document. Review these documents and discuss any questions you have with your advisor.

What am I purchasing?

This is an insurance contract between you and Wawanesa Life. It gives you a choice of investments and, for certain variable investments, some guarantees.

You can:

- Choose an investment option
- Name a person to receive the death benefit
- Pick a registered or non-registered contract
- Receive regular payments now or later

The choices you make may affect your taxes. They could also affect your guarantees. Ask your advisor to help you make these choices.

The value of your contract can go up or down subject to the guarantees.

What guarantees are available?

You get maturity and death benefit guarantees. These help protect your fund investments. You pay fees for this protection. The fees are described in *How much will it cost?*

Any withdrawals you make will reduce the guarantees. For full details please see Section 7 in this information folder.

Maturity guarantee

This protects the value of your investment at a specific date in the future. These dates are explained in this information folder in Section 7.1.

On this date, you will receive the greater of:

- The market value of your funds, or
- 75% of the money you put in the funds (net of withdrawals).

Death benefit guarantee

This protects the value of your investment if the Annuitant dies. It is paid to someone you name.

The death benefit applies if the Annuitant dies before the Maturity Guarantee Date. It pays the greater of:

- The market value of your funds, or
- 85% of the money you put in the funds (net of withdrawals).

What investments are available?

You can invest in daily interest account, guaranteed investment accounts and segregated funds (Market Participation Option). The maturity and death benefit guarantees only apply to segregated funds.

The segregated funds are described in this information folder and Fund Facts.

Other than maturity and death benefit guarantees, Wawanesa Life does not guarantee the performance of segregated funds. Carefully consider your tolerance for risk when you select an investment option.

How much will this cost?

Fees and expenses are deducted from the segregated funds. They are shown as management expense ratios or MERs on the Fund Facts for each fund.

If you make certain transactions or other requests, you may be charged separately for them. These include withdrawals and switching funds.

For full details, see Section 9 in this information folder and the Fund Facts for each segregated fund.

What can I do after I purchase this contract?

If you wish, you can do any of the following:

- **Deposits** - You may make lump-sum or regular payments. See Section 3 in this information folder.
- **Transfers** - You may switch from one fund to another. See Section 12 in this information folder.
- **Withdrawals** - You can withdraw money from your contract. If you decide to, this will affect your guarantees. You may also need to pay a fee or taxes. See Sections 7, 8, 9 and 10 in this information folder.

Certain restrictions and other conditions may apply. Review the contract for your rights and obligations and discuss any questions with your advisor.

What information will I receive about my contract?

We will tell you at least once a year the value of your investments and any transactions you have made.

More detailed financial statements of the funds are available on our website at www.wawanesalife.com or upon request.

Can I change my mind?

Yes, you can:

- cancel the contract,
- cancel any payment you make, or
- reverse investment decisions.

To do any of these, you must tell us in writing within two business days of the earlier of:

- receiving confirmation, or
- five business days after it is mailed.

The amount returned to you will be the lesser of the amount you invested or the value of the fund if it has gone down. No withdrawal fees will apply.

If you change your mind about a specific fund transaction, the right to cancel only applies to that transaction.

Where can I get more information?

You may call us at 1-800-263-6785 or send us an e-mail to annuities@wawanesa.com. Information about our Company and the products and services we provide is on our website at www.wawanesalife.com.

For information about handling issues you are unable to resolve with our Company, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the Internet at www.olhi.ca.

For information about additional protection available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information about how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at www.ccir-ccra.org.

CERTIFICATION

This Information Folder provides brief and plain disclosure of all material facts relating to the GUARANTEED RETIREMENT ANNUITY, the GUARANTEED INVESTMENT ANNUITY and the RETIREMENT INCOME FUND, which are individual savings plans issued by The Wawanesa Life Insurance Company.

The Wawanesa Life Insurance Company offers a wide range of individual and group insurance and investment products in Canada. The Company is a wholly-owned subsidiary of The Wawanesa Mutual Insurance Company, one of the largest property and casualty insurers in Canada.

Signed for The Wawanesa Life Insurance Company at Winnipeg, Manitoba.



Jocelyne Prefontaine
Chief Operating Officer
The Wawanesa Life Insurance Company



T. Watson
Vice President, Risk Management & Chief Actuary
The Wawanesa Life Insurance Company

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TABLE OF CONTENTS

		Page
PART A	FEATURES OF THE WAWANESA LIFE INDIVIDUAL SAVINGS AND INVESTMENT PLANS	
	1 Individual Savings and Investment Plans Offered	7
	2 Investment Choices	7
	3 Deposits	9
	4 Rescission Rights	9
	5 Policy Maturity	10
	6 Death of Annuitant	10
	7 Maturity and Death Benefit Guarantees	10
	8 Withdrawals and Policy Surrender	12
	9 Policy and Transaction Fees	12
	10 Tax Information	12
	11 Notification to Policyowners	13
PART B	FEATURES OF THE MARKET PARTICIPATION OPTION (MPO)	
	12 Method of Purchase and Redemption of Fund Units	13
	13 Unit Value and Valuation Date	15
	14 Valuation of Assets	16
	15 Fund Management and Administration Fees	16
	16 Splitting of Units in the Funds	17
	17 Fundamental Changes	18
	18 Addition or Deletion of Funds	18
PART C	MARKET PARTICIPATION OPTION (MPO) FUND MANAGEMENT	
	19 Investment Management	18
	20 Investment Policies	19
	21 Investment in Secondary Funds	22
	22 Fund Facts	22
	23 Taxation of the MPO Funds	23
	24 Custody of Securities	23
	25 Auditor	23

In this folder, **'You'**, **'Your'** and **'Policyowner'** refer to the owner of the policy. **'Annuitant'** refers to the person upon whose life any annuity payments are based. **'We'**, **'our'**, **'us'**, **'Company'** and **'Wawanesa Life'** refer to The Wawanesa Life Insurance Company. **'Fund(s)'** refers to one or more of the segregated funds offered by The Wawanesa Life Insurance Company within the Market

PART A

FEATURES OF THE WAWANESA LIFE INDIVIDUAL SAVINGS AND INVESTMENT PLANS

1. Individual Savings and Investment Plans Offered

Wawanesa Life has three individual savings and investment plans available. These plans have almost identical features but with a different taxation status.

Guaranteed Retirement Annuity (GRA)

The GRA is registered for tax purposes as a Retirement Savings Plan (RRSP). It is for individuals who are using the tax deduction and deferral provisions in the Income Tax Act for their retirement savings.

Retirement Income Fund (RIF)

The RIF is registered for tax purposes as a Retirement Income Fund (RRIF). It is for individuals who have elected to take a periodic income from their registered savings in this manner.

Guaranteed Investment Annuity (GIA)

The GIA is not registered for tax purposes. Amounts earned in the policy are taxable to you currently according to the Income Tax Act provisions. This plan is for individuals who wish to save and invest money for a variety of reasons such as supplementing their registered retirement savings, providing for children's education or estate creation.

2. Investment Choices

All individual savings and investment plans provide the following range of investment alternatives. At your discretion, deposits may be directed to any of the investment alternatives:

2.1 Investment Accounts

Investment Accounts are purchased for fixed terms at guaranteed rates of interest, as offered by the Company from time to time. A wide range of terms is available. An Investment Account may be surrendered before the end of a term but this may result in a Market Value Adjustment being charged. This would occur if the interest rate at the date of surrender plus ½% exceeds the rate guaranteed in the account being surrendered. The value of each Investment Account is guaranteed by the Company and is defined as deposits contributed plus interest earned less any amounts withdrawn and less any applicable Market Value Adjustments.

2.2 Daily Interest Account

Interest is earned and compounded in this account on a daily basis. The value of the Daily Interest Account is guaranteed by the Company and is defined as deposits contributed plus interest earned less any amounts withdrawn.

2.3 Market Participation Option (MPO)

The MPO allows you to purchase units of segregated funds ('Funds') being offered by the Company. The MPO provides you the opportunity of investing in equities and bonds of particular countries or regions. The investment policy of a Fund is designed to achieve investment results based on the performance of a particular stock market or bond index. The Company does not use leverage in the administration or management of the segregated funds.

Currently there are four Funds being offered:

1. Canadian Equity Index Fund - based on a major Canadian equity index.
2. U.S. Equity Index Fund - based on a major U.S. equity index.
3. International Equity Index Fund - based on a major international equity index.
4. Canadian Bond Index Fund - based on the a major Canadian bond index.

Classes of Units - currently two classes of units are being offered within the Funds:

Class 'A' - These units are available to all Policyowners.

Class 'C' - These units are restricted to members of the 'Broker Retirement Plan', a retirement savings plan sponsored by The Wawanesa Mutual Insurance Company and offered to principals and designated employees of qualifying property and casualty insurance brokers.

The only difference between Class 'A' units and Class 'C' units is the amount of the management fees charged (see Section 15).

The value of a Fund is defined as the number of units held in that Fund multiplied by the Unit Value at the next Valuation Date (see Section 13).

ANY AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE CONTRACTHOLDER AND MAY INCREASE OR DECREASE IN VALUE.

3. Deposits

You may make deposits into your policy as follows:

- in lump sum amounts at any time (cheques must be payable to Wawanesa Life),
- as a pre-authorized deposit plan (PAD).

We reserve the right to set minimums for initial and additional deposit amounts. The current minimum PAD deposit is \$25, subject to change at any time, at our discretion.

We also reserve the right to require a \$500 minimum contract balance after the first 12 months. If this minimum is not met, we have the right to cancel the entire contract. On cancellation of the contract, the contract balance will be refunded to the Policyowner.

We reserve the right to refuse to accept any deposits, or limit the amounts of deposits, with or without prior notification.

Deposits are allocated to investment options according to your written instructions. If you do not provide us with instructions as to the desired allocation of a deposit, the deposit will be invested in the Daily Interest Account.

4. Rescission Rights

You may rescind the purchase of your contract and any allocation of deposits under the contract by sending written notice requesting the rescission to us within two business days from the date you receive confirmation of the purchase. For any allocation of deposits under your policy other than the initial contractual purchase, the right to rescind will only apply in respect to the additional allocated deposits and written notice requesting the rescission must be provided within two business days from the date you receive confirmation of the additional deposits.

The right to rescind applies to purchases arranged by pre-authorized debit (PAD) for the initial purchase only as we do not issue confirmation notices for each PAD purchase.

For any deposits to the Daily Interest Account or the Investment Accounts, the amount refunded under the right to rescind would equal the deposit amount. For any deposits to the MPO, the amount refunded would be the lesser of the amount invested and the value of your Funds on the Valuation Date following the day we receive the request for rescission plus any fees or charges associated with the transaction.

You will be deemed to have received the confirmation five business days after it has been mailed by the Company.

5. Policy Maturity

The Policy Maturity Date is the date on which the policy matures and is specified in the policy contract. It is normally age 71 of the Annuitant for GRA policies (subject to changes in the Income Tax Act) and age 100 for RIF and GIA policies.

At policy maturity, all Investment Accounts are surrendered and all units in the Funds are redeemed and transferred to the Daily Interest Account. Unless alternative direction is provided by the Policyowner, all policy proceeds are used to provide an annuity on the life of the Annuitant payable for 10 years and for the lifetime of the Annuitant thereafter. Alternatively, other forms of annuities, such as a Retirement Income Fund, may be selected by the Policyowner at maturity, subject to the approval of the Company.

6. Death of Annuitant

If the Annuitant dies before the Policy Maturity Date, all Investment Accounts are surrendered and all units in the Funds are redeemed and transferred to the Daily Interest Account. The Investment Account values will be calculated without reference to a Market Value Adjustment. The value of the Fund units is calculated in the same manner as a surrender but the Death Benefit Guarantee will apply (see Section 7.2).

7. Maturity and Death Benefit Guarantees

7.1 Maturity Guarantee

Maturity Guarantee Date is the date on which the Maturity Guarantee will be applied. For GRA policies, the Maturity Guarantee Date will be the later of the Annuitant's 71st birthday and 15 years from the initial MPO deposit. For RIF and GIA policies, the Maturity Guarantee Date will be the Annuitant's 100th birthday with a minimum of 15 years from the initial MPO deposit.

For GRA policies, if the initial deposit to the MPO is after the Annuitant's 56th birthday, the Policy Maturity Date will be earlier than the Maturity Guarantee Date. In order to fulfill the minimum 15 year requirement for the Maturity Guarantee, on the Policy Maturity Date you may purchase a Registered Retirement Income Fund with the Company.

For RIF and GIA policies, in order to fulfill the minimum 15 year requirement for Maturity Guarantee, the initial deposit to the MPO must be made prior to the Annuitant's 85th birthday.

The amount payable under the Maturity Guarantee will be the greater of:

- a. The value of the Policyowner's interest in the MPO, and
- b. 75% of all net amounts transferred into the MPO. The net amount transferred is equal to the amount transferred into the MPO proportionately* reduced by any redemptions based on the amount redeemed divided by the value of the policy's units in the MPO at time of redemption.

7.2 Death Benefit Guarantees

The amount payable due to the death of the Annuitant will be the greater of:

- a. The value of the Policyowner's interest in the MPO as of the date the written notification of the death of the Annuitant is received by the Company, and
- b. 85% of all net amounts transferred into the MPO. The net amount transferred is equal to the amount transferred into the MPO proportionately* reduced by any redemptions based on the amount redeemed divided by the value of the policy's units in the MPO at time of redemption.

* Example of calculating net amounts:

A policy has an initial investment of \$1,000 (Deposit 1) and a second investment one year later (Deposit 2) of \$500. Three years later, the value of the units in the Funds of the policy is \$1,000 at which time \$300 is redeemed.

Fund	Deposit Year 1	Deposit Year 2	Total Deposits	Market Value (MV) prior to Redemption	Redemption Year 3	Market Value after Redemption
A	\$400	\$200	\$600	\$700	\$200	\$500
B	\$600	\$300	\$900	\$300	\$100	\$200
Total	\$1,000	\$500	\$1,500	\$1,000	\$300	\$700

$$\begin{aligned}
 \text{Net Amount} &= \text{Total Deposits} \times (1 - (\text{Total Redemption}/\text{Total MV})) \\
 &= \$1,500 \times (1 - (\$300/\$1,000)) \\
 &= \$1,500 \times (1 - 0.30) \\
 &= \$1,500 \times 0.70 \\
 &= \$1,050
 \end{aligned}$$

Death Benefit in year 3 after redemption:

$$= \text{greater of } \$700 \text{ and } (\$1,050 \times 85\%) = \$892.50$$

8. Withdrawals and Policy Surrender

You may surrender all or part of the policy at any time, provided a written request is filed with the Company at its Head Office. The surrender values of the various investment options are as described in Section 2.

For partial surrenders, the minimum amount for each withdrawal is currently \$100. The Company reserves the right to change this amount at any time, with or without prior notification. The Company also reserves the right to require a \$500 minimum contract balance immediately following any partial surrender and a \$500 minimum Fund balance immediately following any redemption of units from that Fund.

Under unusual circumstances, the Company may have to postpone the date of a withdrawal or transfer. This may happen if normal trading is suspended on a stock exchange where the segregated fund or secondary fund has a significant percentage of its assets, or the Company believes it is not practical to dispose of investments held in a segregated fund or secondary fund or that it would be unfair to other policy holders. During such a delay, the Company will administer the withdrawal or transfer in a manner that we consider fair.

9. Policy and Transaction Fees

There are no Investment Account or Daily Interest Account policy or transaction fees. For the MPO, there is a transaction fee assessed for each redemption request after the first during a calendar year, except for those which provide for RIF annuity payments, or where units are being redeemed to purchase units in another Fund within the policy. The transaction fee is currently \$25. It may be increased but will not exceed \$100.

10. Tax Information

GRA policy (registered as a Retirement Savings Plan for income tax purposes)

- a. Premium payments up to maximum limits prescribed by the Income Tax Act are deductible in computing your taxable income.
- b. Interest and income allocated to you is not taxable when earned.
- c. Payments made due to the Annuitant's death, maturity or surrender of the policy must be included in your taxable income.

RIF Policy (registered as a Retirement Income Fund for income tax purposes)

- a. All premium payments must be direct transfers from RRSP's. No amount is deductible in computing your taxable income. This applies whether any amounts are transferred to purchase Fund units.
- b. Interest and income allocated to you is not taxable when earned.
- c. All payments made to you, including regularly scheduled payments, must be included in your taxable income.

GIA Policy (not registered for income tax purposes)

- a. Investment Accounts and Daily Interest Accounts - interest earned by you will be subject to income tax on an annual basis.
- b. Investment in the Funds will be taxed as follows:
 1. Any income earned by the Funds will be allocated to you each year and must be included in your taxable income for the year.
 2. If you dispose of units in the Fund, a capital gain or loss may be realized.

You will be provided with information slips as required by the Canada Revenue Agency.

11. Notification to Policyowners

At least annually, you will be provided with the following:

- a. The balance in the Daily Interest Account including details of contributions, withdrawals and interest earned.
- b. The details of all Investment Accounts.
- c. The number and value of units held in each of your Funds as at the Valuation Date immediately preceding the date of notification.

The most current Fund Facts, semi-annual unaudited and annual audited Financial Statements, as well as current management fees, management expense ratios and overall rates of return of the Funds are available on the Company's website at www.wawanesalife.com or upon request.

PART B FEATURES OF THE MARKET PARTICIPATION OPTION (MPO)

12. Method of Purchase and Redemption of Fund Units

The cost of units purchased in any of the Funds is withdrawn from the Daily Interest Account. When Fund units are redeemed, the proceeds

are deposited to the Daily Interest Account. There are no fees or administrative charges associated with processing of Fund transactions through the Daily Interest Account. All purchase, transfer, maturity and surrender transactions will occur on a Transaction Date. The Transaction Date is determined by the Company and may be up to three business days following a Valuation Date (see Section 13 for a description Valuation Date). For a transaction to be processed on a Transaction Date, all required information and deposits must be received at our Head Office three business days before the Transaction Date. Otherwise, the transaction will be processed on the following Transaction Date.

12.1 Purchase of Units

Amounts may be transferred from the Daily Interest Account to one or more Funds at your discretion in order to purchase units in the Funds. You may specify the amount of the transfer in any of the following manners:

- a. A single transaction of a specific amount.
- b. Regular scheduled amounts, the schedule to be established by you (minimum amount of \$25). This is not applicable to RIF policies.

We reserve the right to set minimums for initial or additional deposits into each Fund. We also reserve the right to require a \$500 minimum Fund balance after the first 12 months. If this minimum balance requirement is not met, we reserve the right to redeem all units in the Fund.

The full amount transferred to a Fund will be used to purchase units in that Fund on the next Transaction Date. The number of units credited to the Fund will be determined by dividing the amount transferred into the Fund by the Unit Value for the Fund as revised on the immediately preceding Valuation Date (see Section 13 for a description of Unit Value).

12.2 Redemption of Units

Redemption of units can occur in four circumstances:

- a. You may redeem all or some of your Fund value.
- b. All units will be redeemed on the Policy Maturity Date. The Policy Maturity Dates for the policy types are described in Section 5.
- c. Units will be redeemed to provide for RIF payments as required by applicable income tax provisions.
- d. All units will be redeemed on the Annuitant's death.

You may request a redemption of units in either of the following manners:

- a. A single transaction of a specific dollar amount (minimum of \$100).
- b. All of the units in the Fund.

If a redemption of a specific dollar amount is requested, the number of units to be redeemed will be calculated on the Transaction Date by dividing the dollar amount of the redemption by the Unit Value as revised on the Valuation Date immediately preceding the Transaction Date.

If all the units in a Fund are being redeemed, the dollar amount of the redemption will be calculated as the units held in that Fund multiplied by the Unit Value for the Fund as revised on the Valuation Date immediately preceding the Transaction Date (see Section 13 for a description of Unit Value and Valuation Date).

ANY AMOUNT THAT IS ALLOCATED TO A SEGREGATED FUND IS INVESTED AT THE RISK OF THE CONTRACTHOLDER AND MAY INCREASE OR DECREASE IN VALUE.

For a policy maturity, funds will be redeemed at the first Valuation Date after the Policy Maturity Date. For the Annuitant's death, funds will be redeemed at the first Valuation Date after Wawanesa Life Head Office is notified of the Annuitant's death.

There is a transaction fee assessed for each redemption request after the first during a calendar year, except for those which provide for RIF annuity payments or where funds are being redeemed to purchase units in another Fund within the policy. The transaction fee is currently \$25. It may be increased but will not exceed \$100.

For redemption requests that do not redeem all of the units in a Fund, the Company reserves the right to require a \$500 minimum Fund balance.

13. Unit Value and Valuation Date

Unit Values will be revised every Valuation Date and will remain in effect until the next Valuation Date. The Valuation Date will normally occur once every week. We reserve the right to change the frequency and timing of valuations. Valuations will not be done less frequently than monthly. Unit Values for each unit class in each Fund will be determined as follows: the portion of the market value of the net assets in a Fund

relating to units of a particular class will be divided by the total number of units outstanding of that class. Management Expense Ratio (MER) is charged against the funds prior to the determination of the Unit Value (see Section 15 for a description of Management Expense Ratio).

14. Valuation of Assets

The market value of each security in each Fund will be determined on the Valuation Date by the closing price on a nationally recognized stock exchange. If there is no such price on a Valuation Date, the most recent closing price or the average of the bid and ask prices on the most recent day on which there was a bid and asked price will be used.

Securities which are traded over-the-counter are valued on the basis of the average of the current bid and ask prices for that particular date.

Short term investments will be valued by using the present value of future interest income (if any) and principal repayments to be received at current interest rates in the market at the date of such valuation for short term investments of the same quality and term.

The market value of any assets, where no provision for valuation is contained in the preceding two paragraphs, will be determined by the best available quotation or method decided by the Company, subject to any government regulations.

Where securities are held in other than Canadian currency, the values will be translated into Canadian currency by using the current applicable exchange rates.

Values of units held in pooled funds will be determined by the administrator(s) of those funds. In determining the value of each security held in the pooled fund, the methods described in the preceding paragraphs will be applied.

The net earnings of the assets in the Funds will remain in the Funds to increase the value of the units. The Fund earnings include interest, dividends and capital gains and losses.

15. Fund Management and Administration Fees

The Management Fee is made to cover the cost of acquisition, administration, management of the Funds, the maturity and death benefit guarantees, and any applicable trailer commissions. The Management

Fee is determined by the Company from time to time and will not exceed 3% annually.

The current Management Fee is as follows:

	Class 'A'	
	Annual	Weekly
Canadian Equity Index Fund	1.95%	.037500%
U.S. Equity Index Fund	2.10%	.040385%
International Equity Index Fund	2.15%	.041346%
Canadian Bond Index Fund	1.95%	.037500%

	Class 'C'*	
	Annual	Weekly
Canadian Equity Index Fund	1.35%	.025962%
U.S. Equity Index Fund	1.50%	.028846%
International Equity Index Fund	1.55%	.029808%
Canadian Bond Index Fund	1.35%	.025962%

* Class 'C' units are restricted to members of the 'Broker Retirement Plan', a retirement savings plan sponsored by The Wawanesa Mutual Insurance Company and offered to principals and designated employees of qualifying property and casualty insurance brokers.

The annual Management Expense Ratio (MER) is expressed as a percentage and is charged against the Funds. The MER includes the Management Fee, applicable taxes and the expenses charged by the underlying Fund. The MER is deducted immediately before valuation of each Fund on a Valuation Date and is paid into the general funds of the Company. The MERs are available in the Fund Facts document. Our GST Registration Number is 105258990RT.

The Management Fees above will be reduced by an estimate of any fees and expenses incurred within any pooled funds (see Section 21 for a description of secondary/pooled funds).

16. Splitting of Units in the Funds

It is expected that Unit Values will increase over time. We reserve the right to split Fund units into more than one unit with a corresponding reduction in Unit Value. The effect of the split would be to reduce the Unit Value. The split, however, would not affect the value of an individual policyowner's holdings in a Fund. Policyowners will be notified of any

unit split.

17. Fundamental Changes

You will be notified by us in writing at least 60 days before any of the following changes are made:

1. An increase in the management fee which may be charged against the assets of any of the Funds,
2. A change in the fundamental investment objectives of any of the Funds,
3. A decrease in the frequency with which units of any of the Funds are valued.

You will have the right to:

1. Transfer to a similar Fund offered by us that is not subject to the fundamental change for which notice is being provided without incurring any deferred sales charges or similar fees. Similar fund is defined as a fund which invests in the same asset class with investment philosophies, objectives and strategies consistent with the existing fund.
2. If we do not offer a similar Fund, redeem the units of the Fund without incurring any deferred sales charges or similar fees.

18. Addition or Deletion of Funds

We reserve the right to add Funds to the Market Participation Option without requiring approval of the policyowners. We also reserve the right to delete Funds from the MPO without requiring approval of the policyowners. Policyowners affected by a deletion will be notified in advance. At the date of deletion, all units of the Fund held in a policy would be surrendered and transferred to the Daily Interest Account.

PART C MARKET PARTICIPATION OPTION (MPO) FUND MANAGEMENT

19. Investment Management

The Investment Manager is TD Asset Management Inc., 161 Bay Street, 34th Floor, Toronto, Ontario, M5J 2T2.

20. Investment Policies

The investments in the Funds are made according to the provisions of the Insurance Companies Act. A detailed description of each Fund's investment policy is available upon request by contacting Wawanesa Life, 400-200 Main Street, Winnipeg, Manitoba, R3C 1A8. A summary of the investment policies of the Funds and their underlying secondary funds are as follows:

20.1 Canadian Equity Index Fund

The investment objective of this Fund is long term accumulation of capital through appreciation and reinvestment of net income. This is achieved by tracking the performance of a major Canadian equity index on a best effort basis by investing in securities that are included in the index or in units of pooled funds offered by institutional investment managers (see Section 21 for information on Secondary Funds). The net earnings of the assets in the Fund will remain in the Fund to increase the value of the units.

The Unit Value of this Fund will fluctuate with changes in the market value of the fund's investments. As such, the performance of this Fund is dependent upon a variety of factors including domestic and global economic and political forces and perceived market volatility as interpreted by the investment community as a whole.

The Canadian Equity Index Fund, as a result of its stated investment policy, may have more of its net assets invested in one or more issuers than is usually permitted for segregated funds. This could reduce the diversification and liquidity of the Fund and increase its volatility. As a result of reduced liquidity, the Fund's ability to satisfy redemption requests could be reduced. The Company does not use leverage in the administration or management of this Segregated Fund.

Risk Factors – The Canadian Equity Index Fund is subject to market risk which is the risk that the market as a whole declines in value. Extreme events, such as natural disasters, catastrophic events, war, terrorist attacks, and public health crises such as pandemics may materially adversely impact segregated fund performance.

20.2 U.S. Equity Index Fund

The investment objective of this Fund is long term accumulation of

capital through appreciation and reinvestment of net income. This is achieved by tracking the performance of a major U.S. equity index on a best effort basis by investing in securities that are included in the index or in units of pooled funds offered by institutional investment managers (see Section 21 for information on Secondary Funds). The net earnings of the assets in the Fund will remain in the Fund to increase the value of the units.

The Unit Value of this Fund will fluctuate with changes in the market value of the Fund's investments. As such, the performance of this Fund is dependent upon a variety of factors including domestic and global economic and political forces and perceived market volatility as interpreted by the investment community as a whole. Because the Fund will hold securities denominated in U.S. dollars, changes in currency exchange rates will affect the value of the securities in the Fund and the performance of the Fund. Performance is also affected by the withholding tax on receipt of dividends from U.S. companies (see Section 23 for information on taxation of the Funds).

The U.S. Equity Index Fund, as a result of its stated investment policy, may have more of its net assets invested in one or more issuers than is usually permitted for segregated funds. This could reduce the diversification and liquidity of the Fund and increase its volatility. As a result of reduced liquidity, the Fund's ability to satisfy redemption requests could be reduced. The Company does not use leverage in the administration or management of this Segregated Fund.

Risk Factors – The U.S. Equity Index Fund is subject to market risk and currency exchange risk. Market risk is the risk that the market as a whole declines in value. Currency exchange risk is the chance that the U.S. currency declines in value in relation to the Canadian currency. Extreme events, such as natural disasters, catastrophic events, war, terrorist attacks, and public health crises such as pandemics may materially adversely impact segregated fund performance.

20.3 International Equity Index Fund

The investment objective of this Fund is long term accumulation of capital through appreciation and reinvestment of net income. This is achieved by tracking the performance of a major International equity index on a best effort basis by investing in securities that are included in the index or in units of pooled funds offered by institutional investment managers (see Section 21 for information on Secondary Funds). The net

earnings of the assets in the Fund will remain in the Fund to increase the value of the units.

The Unit Value of this Fund will fluctuate with changes in the market value of the Fund's investments. As such, the performance of this Fund is dependent upon a variety of factors including domestic and global economic and political forces and perceived market volatility as interpreted by the investment community as a whole. Because the Fund will hold securities denominated in foreign currencies, changes in currency exchange rates will affect the value of the securities in the Fund and the performance of the Fund. Performance is also affected by the withholding tax on receipt of dividends from foreign companies (see Section 23 for information on taxation of the Funds).

The International Equity Index Fund, as a result of its stated investment policy, may have more of its net assets invested in one or more issuers than is usually permitted for segregated funds. This could reduce the diversification and liquidity of the Fund and increase its volatility. As a result of reduced liquidity, the Fund's ability to satisfy redemption requests could be reduced. The Company does not use leverage in the administration or management of this Segregated Fund.

Risk Factors -The International Equity Index Fund is subject to market risk and currency exchange risk. Market risk is the risk that the market as a whole declines in value. Currency exchange risk is the chance that foreign currencies decline in value in relation to the Canadian currency. Extreme events, such as natural disasters, catastrophic events, war, terrorist attacks, and public health crises such as pandemics may materially adversely impact segregated fund performance.

20.4 Canadian Bond Index Fund

The investment objective of this Fund is to track the performance of a major Canadian bond index on a best effort basis by investing primarily in high quality fixed-income securities issued by governments and companies that are included in the index or in units of pooled funds offered by institutional investment managers (see Section 21 for information on Secondary Funds). The net earnings of the assets in the Fund will remain in the Fund to increase the value of the units.

The Unit Value of this Fund will fluctuate with changes in the market value of the Fund's investments. As such, the performance of this Fund is dependent upon a variety of factors including domestic and global

economic and political forces and perceived market volatility as interpreted by the investment community as a whole.

The Canadian Bond Index Fund, as the result of its stated investment policy, may have more of its net assets invested in one or more issuers than is usually permitted for segregated funds. This could reduce the diversification and liquidity of the Fund and increase its volatility. As a result of reduced liquidity, the Fund's ability to satisfy redemption requests could be reduced. The Company does not use leverage in the administration or management of this Segregated Fund.

Risk Factors -The Canadian Bond Index Fund is subject to interest rate risk which is the risk of economic loss caused by changes in interest rates. As a rule, the value of fixed income securities will change inversely with a corresponding change in interest rates. Extreme events, such as natural disasters, catastrophic events, war, terrorist attacks, and public health crises such as pandemics may materially adversely impact segregated fund performance.

21. Investment in Secondary Funds

Investments may include units of pooled funds offered by TD Asset Management Inc., including the Emerald Canadian Equity Index Fund, the Emerald U.S. Market Index Fund, the Emerald International Equity Index Fund and the Emerald Canadian Bond Index Fund. A pooled fund is established for institutional investment purposes. A unit in any of these pooled funds represents an undivided direct interest in a basket of common stocks or bonds in substantially the same proportion as the stocks and bonds are reflected in the relevant stock and bond index. By purchasing a Wawanesa Life individual variable insurance contract, you do not become a unitholder of the secondary fund.

Pooled funds will only be held when, in the opinion of the Company, the costs of doing so do not exceed the costs of investing directly in the securities comprising each index. The investment policies of the Funds will be followed by the managers of the pooled funds. Where an investment in a pooled fund represents 20% or more of the assets of a Fund, the assets held within the pooled fund will be disclosed in the financial statements of the Fund. The Unit Value of each of the Funds will be calculated independently and separate from the unit value of any pooled fund in which the Funds may invest.

The fundamental investment objectives of a secondary fund cannot be

changed unless approved by the unitholders of the secondary fund. Upon such approval, you will be given notice of such change. Copies of the simplified prospectus, annual information form, financial highlights and audited financial statements, or the disclosure documents required for the secondary funds are available upon request by contacting The Wawanesa Life Insurance Company, 400-200 Main Street, Winnipeg, Manitoba, R3C 1A8 or by calling 1-800-263-6785.

22. Fund Facts

Fund Facts is a document that forms part of your individual variable insurance contract and information folder even though it is a separate document. Fund Facts document includes important information about the Funds and must be reviewed with your advisor prior to any investment in the Wawanesa Life Market Participation Option.

The most current Fund Facts document is available on the Company's website at www.wawanesalife.com or upon request.

The Fund Facts information is accurate and complies with *Guideline G2: Individual Variable Insurance Contracts Relating to Segregated Funds* as of the date the information is prepared. The remedies for any error in Fund Facts information will include reasonable measures by the Company to correct the error but will not entitle the Policyowner to specific performance under the contract.

23. Taxation of the MPO Funds

A segregated fund is treated as a trust in which the income is allocated to policyowners and beneficiaries. Income allocated to policyowners, other than those with registered plans, will be included in their income and taxed accordingly.

Income derived by the Funds from non-Canadian investments will be subject to foreign withholding taxes at source. Currently, the Company is not subject to premium taxes or any other form of taxation, except for withholding taxes, in the segregated funds. However, we reserve the right to charge the Funds with any premium tax, capital tax or other taxes that may be applied to the Funds in the future.

24. Custody of Securities

The custodian of securities held directly by the Funds is the CIBC Mellon Global Securities Services Company, Toronto, Ontario. The custodian of

the securities in pooled fund units that are issued by TD Asset Management Inc. is TD Bank, Toronto, Ontario.

25. Auditor

The Wawanesa Life Market Participation Option Funds are audited by Pricewaterhouse Coopers LLP, Chartered Accountants, Winnipeg, Manitoba.



Wawanesa
Life

Call our toll free customer service department at:

1-800-263-6785

Visit us online at:

wawanesalife.com