T-SWP:

How To Draw Tax-Efficient Income From Your Non-Registered Investments

**Note: all information applies to Corporate Class T-SWP Programs only.*
For more information on Corporate Class, click here.

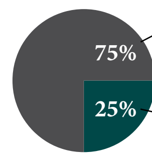
What is a T-SWP?

T-SWP is an acronym for **T**ax (Smart) **S**ystematic **W**ithdrawal **P**rogram. This program allows you to draw consistent, monthly income from your non-registered investments while minimizing the taxes paid on this income for the coming tax year.

How Does a T-SWP Work?

The T-SWP allows you to withdraw your own invested capital from your investments at monthly intervals without accessing your investment profits (which would be taxable). All RoC (Return of Capital) income is not taxable on your yearly tax return. Capital gains, interest, and dividend returns are held internally in your investment and are taxed upon their eventual redemption.

When using T-SWP under the Corporate Class mutual fund structure, these accrued investment gains can be converted to the most tax efficient form of taxable income upon redemption: capital gains, further increasing the tax efficiency of this cash flow strategy by taking advantage of Canada Revenue's 50% capital gains inclusion rate.

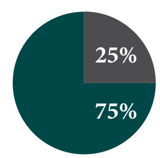


Invested Capital

T-SWP provides income in this form. When withdrawn, your original capital is not taxable.

Investment Gains (Profit)

Any income withdrawn from this pool is taxable at the applicable rate.



Over Time...

As your invested capital is returned to you, the investment gains will comprise a larger portion of the fund. Eventually, all income will be taxable. Note: in Corporate Class T-SWP funds, income drawn from investment gains will generally be viewed as Capital Gains.

**Note: T-SWP programs can leave a large taxable burden upon estate settlement.*

Why Use a T-SWP?

There are 3 primary reasons for using a T-SWP program:

1) It can increase overall long term investment gains through tax deferral. Most withdrawal programs will withdraw your invested capital along with investment gains which you will then have to pay tax on at the end of the tax year. By deferring the payment of taxes on your investment gains, you are better able to take advantage of compound interest over time.

2) You can draw investment income while keeping your taxable yearly income low. For income based entitlement programs like Old Age Security or the subsidization of long-term care bills, this may help reduce government clawbacks and maximize subsidies.

3) Unlike annuities, the investment is not locked in, and is widely available at no additional cost over that of owning a mutual fund.