



**CI Guaranteed  
Investment Funds®**

issued by Transamerica Life Canada



## Information Folder

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

TRANSAMERICA LIFE CANADA IS THE ISSUER OF THE INSURANCE CONTRACT DESCRIBED IN THIS INFORMATION FOLDER AND THE GUARANTOR OF THE GUARANTEES UNDER THE CONTRACT.

THIS FOLDER IS NOT A POLICY, AN INSURANCE CONTRACT (OR OTHER CONTRACT WHETHER COLLATERAL OR OTHERWISE), OR A DOCUMENT EVIDENCING A CONTRACT.

THE CONTRACT HOLDER IS PURCHASING AN INSURANCE CONTRACT AND IS NOT A UNIT HOLDER OF THE UNDERLYING MUTUAL FUNDS.

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managed by CI Investments Inc.



issued by Transamerica Life Canada



# Certificate

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Transamerica Life Canada hereby certifies that this information folder provides brief and plain disclosure of all material facts relating to the CI GUARANTEED INVESTMENT FUNDS annuity contract.

Certified on behalf of Transamerica Life Canada by:

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Paul Reaburn  
Chairman, President  
and Chief Executive Officer

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Paulette Kennedy  
Senior Vice President  
and Chief Financial Officer



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# Transamerica Life Canada

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Transamerica Life Canada (“Transamerica Canada” or “Transamerica”) is a federally incorporated life insurance company.

Its head office is at 5000 Yonge Street, Toronto, Ontario M2N 7J8. Transamerica offers a wide range of financial products, including life insurance and investment products through a network of independent advisors across Canada. Transamerica Canada is solely responsible for the obligations under the CI Guaranteed Investment Funds annuity contract (the “Contract”).

Transamerica is a member of the Aegon Group, an international group of insurance companies headquartered in The Netherlands. The shares of AEGON N.V. are listed on the stock exchanges of Amsterdam, New York, London, Frankfurt, Zurich and Tokyo.

## CI Guaranteed Investment Funds

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Premiums may be allocated to the following thirteen segregated funds: the CI Canadian Bond Guaranteed Investment Fund; CI Harbour Growth & Income Guaranteed Investment Fund; CI Harbour Guaranteed Investment Fund; CI International Balanced Guaranteed Investment Fund; CI Signature Select Canadian Guaranteed Investment Fund; CI Signature Canadian Balanced Guaranteed Investment Fund; CI Money Market Guaranteed Investment Fund; CI Signature Dividend Guaranteed Investment Fund; CI Signature High

Income Guaranteed Investment Fund; the CI Conservative Portfolio Guaranteed Investment Fund; CI Moderate Portfolio Guaranteed Investment Fund; CI Growth Portfolio Guaranteed Investment Fund; and CI Aggressive Growth Portfolio Guaranteed Investment Fund - see the Summary Fact Statements Booklet.



# Executive Summary of this Information Folder

A description of the key features of the individual variable insurance contract is contained in this folder.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

Highlights of the Contract described in this folder include the following:

- The Contract may be issued as one of the following plan types: a non-registered plan, a retirement savings plan (RSP), a locked-in retirement account (LIRA), a locked-in retirement savings plan (Locked-in RSP), a retirement income fund (RIF), a locked-in retirement income fund (LRIF), a Prescribed Registered Income Fund (PRIF), or a life income fund (LIF) - see "Summary Description of the Contract – Plan Types", page 8.
- Monies within the Contract may be allocated to acquire Class A or Class B Units in one or more of the segregated funds using either the Initial Sales Charge Method or the Deferred Sales Charge Method. **IF THE INITIAL SALES CHARGE METHOD APPLIES, THEN A SALES CHARGE WILL BE DEDUCTED FROM THE PREMIUM AND PAID TO THE DISTRIBUTOR. IF THE INITIAL SALES CHARGE METHOD APPLIES, YOU CAN NEGOTIATE THE AMOUNT OF SUCH SALES CHARGE WITH THE DISTRIBUTOR. THE MAXIMUM INITIAL SALES CHARGE THAT A DISTRIBUTOR IS ENTITLED TO IMPOSE IS SET OUT IN THIS FOLDER.** These allocations and the restrictions applicable to them are described in this folder - see "Deposits", page 11, "Allocation of Deposits", page 14 and "Description of CI Guaranteed Investment Funds and Portfolio", page 2 of Summary Fact Statements Booklet. The Owner acquires no direct claim on or property interest in the units of the segregated funds or the underlying mutual funds.
- The Owner may withdraw monies from the Contract at any time subject, however, to the plan type and Transamerica's then current administrative rules as well as any applicable charges and fees - see "Surrenders", page 27.
- The Owner may, at any time, transfer the value of units allocated to the Contract from one of these segregated funds to another subject, however, to Transamerica's then current administrative rules as well as any applicable charges and fees - see "Transfers and Fund Availability", page 26.
- Transamerica reserves the right to make Fundamental Changes from time to time. We also reserve the right to change underlying funds. If such a change is a Fundamental Change, you will have the rights described on Page 17. Changing an underlying fund to another substantially similar underlying fund will not constitute a Fundamental Change provided immediately following the change the total management fee and insurance fee of the Fund is the same as, or lower than its total management and insurance fee immediately before the change. A substantially similar underlying fund is one that has a similar fundamental investment objective, is in the same investment fund category and has the same or lower management fee as the underlying fund. We will (a) notify you, our regulators and the Canadian Life and Health Insurance Association (CLHIA) at least 60 days in advance of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible as reasonably practical), and (b) amend or refile this Information Folder to reflect the change. The foregoing may be superceded by any regulatory developments governing changes to underlying funds.
- The Contract provides minimum guaranteed benefits on a Deposit Maturity Date, on the Contract Maturity Date and on the death of the last to die of the Annuitant or the Successor Annuitant if they should die prior to the Contract Maturity Date - see "Benefit Determination Amount", page 34, "Class Deposit Maturity Benefit", page 36, "Contract Maturity Benefit", page 39 and "Death Benefit", page 44 - and other cash value benefits which are not guaranteed. Such other cash value benefits vary in accordance with fluctuations in the market value of the particular fund - see "Value of Fund Class Units", page 16, "Contract Value", page 17, "Surrenders", page 22, and "Significant Risks", page 24 of Summary Fact Statements Booklet.
- The Contract contains the concept of Class Deposit Year Account. Each Class Deposit Year Account has a Class Deposit Maturity Date. When a Class Deposit Year Account reaches its Class Deposit Maturity Date, you have the option to: (a) cash out the Class Deposit Maturity Benefit; or (b) re-deposit the Class Deposit Maturity Benefit. See "Class Deposit Maturity Benefit", page 36.
- Upon each anniversary of the Contract Date, CI, on behalf of Transamerica, will automatically reset the Death Benefit Determination Amount payable under the Contract. See "Reset of Death Benefit Determination Amount", page 45. Transamerica may discontinue, modify or suspend the reset of the Death Benefit Determination Amount at any time by giving you 60 days prior written notice.



## Executive Summary of this Information Folder *cont'd*

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- On each Class Deposit Maturity Date, Transamerica will calculate the Death Benefit Determination Amount. See page 38 for details of the calculation.
- You may choose from two Guarantee Options which affect the level of your guaranteed benefits on a Class Deposit Maturity Date and the Contract Maturity Date. You make this choice by selecting either Class A Units (which carry a 100/100 Guarantee Option) or Class B Units (which carry a 75/100 Guarantee Option) of the Funds. Please note: Not all Funds are available as Class A Units. See "Guarantee Options" page 33. The Owner may reclassify Class A Units as Class B Units at certain times as determined by Transamerica and with certain consequences - see "Change of Guarantee Option" page 47.
- Participation in the performance of a segregated fund is through the allocation of units of a particular segregated fund - see "Assets of the Funds", page 15. Each segregated fund may have two classes of units to take into account the different Guarantee Options and insurance fees applicable to each class.
- Charges and fees may apply to and be payable directly by the Owner of the Contract. In this regard, a sales charge will apply to an Owner who has elected that an investment be made pursuant to the Initial Sales Charge Method - see "Deposits", page 11; fees may also apply to cash withdrawals (surrenders) from the Contract - see "Surrenders", page 27; and fees may also apply when the Owner requests the cancellation of some or all of the units to the Contract's credit in one segregated fund, and the allocation of the value of such units to units in another segregated fund - see "Transfers and Fund Availability", page 26. In addition to the charges and fees which may apply directly to the Owner, management fees, insurance fees and operating expenses apply to and are deducted from the segregated funds themselves - see "Fund Class and Contractholder Charges and Fees", page 19.
- Each segregated fund invests all of its net assets in one or more underlying mutual funds managed by CI Investments Inc. - see "Description of CI Guaranteed Investment Funds and Portfolios" page 2 of the Summary Fact Statements Booklet.
- A description is provided for each segregated fund, listing for each the investment objective and policy of the segregated fund as well as the investment objective and a summary of the investment policies governing the corresponding underlying mutual fund or funds - see the Summary Fact Statements Booklet. One of the disclosure requirements is to provide a summary fact statement for each segregated fund. Such statement also consists of the historical performance (where applicable) and top holdings of each segregated fund or underlying mutual fund or funds, as applicable.
- Investing in units of a segregated fund will have all of the risks applicable to the underlying mutual fund or funds as well as those applicable to the segregated fund. The risks involved in investing in the underlying funds are described in the sections of the Summary Fact Statements Booklet entitled "Significant Risks", page 24.
- Transfers, withdrawals, underlying fund substitutions and fund closures are taxable events in a non-registered policy. Income, realized capital gains and losses of each Fund will be allocated to the owner. The income, realized capital gains and losses will have to be reported in a non-registered plan. If your Contract is a registered plan, you do not have to report investment income or capital gains allocated by the Funds nor can you claim any losses. However, any amounts withdrawn from your registered plan are taxable. Income payments from a RIF, LRIF, LIF or PRIF are subject to tax, which may be withheld from these payments.
- Audited financial statements will be made available to you annually, by April 30th. Semi-annual unaudited financial statements will be made available to you annually, by October 31st. You are urged to review the financial highlights accompanying this Information Folder. In addition, you may request copies of current audited financial statements for the segregated funds. Current semi-annual unaudited financial statements are also available upon request. You may address your request in writing to CI, 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7.



# Interpretation

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This folder is not a policy, an insurance contract (or other contract whether collateral or otherwise), or a document evidencing a contract. Accordingly, it does not create or confer any contractual rights on the part of the Owner and it does not create or confer any contractual duty, obligation or liability on the part of Transamerica or its representatives.

In this folder,

**Aggregate Fund Class Value** has the meaning specified on page 16 of this folder;

**Annuitant** means the individual upon whose life the Contract Maturity Benefit is based, and upon whose death the Death Benefit is payable. The Annuitant is selected by the Owner in the Application and may be changed in accordance with the provisions of the Contract. For non-registered plans and for a RIF (spouse only), you may designate a successor annuitant who will become the Annuitant upon the Annuitant's death. In this case, your contract will continue and no death benefit is payable until the death of the successor annuitant.

The Annuitant must be a Canadian resident at the time the Contract is issued;

**Application** means the Application For Annuity Policy completed in connection with the establishment of the Contract;

**Beneficiary** means the person who is or the persons who are, as applicable, to receive the proceeds in the event of the death of the Annuitant, as designated in the Application or as later changed in accordance with the provisions of the Contract;

**Benefit Determination Amount** has the meaning specified on page 34 of this folder unless specifically identified as Death Benefit Determination Amount.

**CI** means CI Investments Inc., appointed by Transamerica to perform certain administrative and management services on its behalf in relation to the Funds and the Contract. In this folder, references to CI are to CI acting on behalf of Transamerica unless indicated otherwise;

**Class** means a notional sub-account maintained for all the Units of each Fund which carry the same Guarantee Option;

**Class A Contract Maturity Benefit** has the meaning specified on page 39 of this folder;

**Class B Contract Maturity Benefit** has the meaning specified on page 39 of this folder;

**Class A Deposit Maturity Benefit** has the meaning specified on page 36 of this folder;

**Class B Deposit Maturity Benefit** has the meaning specified on page 36 of this folder;

**Class Deposit Maturity Date** has the meaning specified on page 36 of this folder;

**Class Deposit Year** means, in respect of a Class, a year commencing with the Initial Class Deposit Date for such Class and commencing thereafter with each anniversary date of such Initial Class Deposit Date;

**Class Deposit Year Account** means a notional account into which CI, on behalf of Transamerica, records all Deposits allocated to a particular Class during a particular Class Deposit Year;

**Class Deposit Year Account Value** at any time means the aggregate market value of the Units of each Class Deposit Year Fund Account in respect of a Class Deposit Year Account;

**Class Deposit Year Fund Account** means a notional sub-account of a Class Deposit Year Account into which Transamerica records all Deposits allocated to a particular Class of a particular Fund during a particular Class Deposit Year;



## Interpretation *cont'd*

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**Class Value** at any time means, with respect to a particular Class of Units, the sum of the Aggregate Fund Class Values of such Class for all of the Funds; **(Subject to applicable maturity and death guarantees, the Class Value is not guaranteed but varies in accordance with fluctuations in the market value of the assets underlying the particular Fund Class);**

**Closing Decade** means the ten-year period immediately prior to the Contract Maturity Date;

**Contract** means the CI Guaranteed Investment Funds annuity contract;

**Contract Date** means the date the Contract takes effect. The Contract takes effect on the Valuation Date coinciding with the effective date of the first Deposit under the Contract;

**Contract Maturity Benefit** means the aggregate of the Class A Contract Maturity Benefit and the Class B Contract Maturity Benefit;

**Contract Maturity Date** has the meaning specified on page 39 of this folder;

**Contract Value** has the meaning specified on page 17 of this folder;

**Death Benefit** has the meaning specified on page 44 of this folder;

**Death Benefit Date** means the Valuation Date coinciding with or immediately preceding the earlier of (a) the date CI, on behalf of Transamerica, receives written notice of the Annuitant's death, and (b) the Contract Maturity Date;

**Deferred Sales Charge Method** means the method for making Deposits to the Contract whereby the entire amount of premium (less any applicable premium taxes or other government levies) is allocated to acquire Units; a surrender fee will generally apply if such Units are surrendered within seven years of the effective date of the relevant Deposit;

**Deposit** means the amount of premium or premiums received by CI, on behalf of Transamerica, from time to time in respect of the Contract, after deduction of any applicable sales charges and premium taxes or other governmental levies, if any and for greater certainty does not include the dollar amount of any transfers between Funds or reclassifications of Units within the same Fund;

**Distributor** in relation to a Contract means the person, firm, corporation or other entity who is duly licensed by the appropriate regulatory authorities to solicit applications for insurance in the applicable jurisdiction, and to whom Transamerica is contractually bound to pay the sales commission in relation to such Contract or the servicing commission, as the case may be, and Distributors means more than one Distributor;

**DSC Units** means Units allocated to the Contract in the case of a deposit made pursuant to the Deferred Sales Charge Method;

**Electronic Application** means an application, whether the Application or a subsequent Deposit application, which is submitted electronically by a person duly authorized for that purpose by Transamerica according to the particular protocol approved by it, and Non-electronic Application means an application which is not an Electronic Application;

**Fund** means any of the segregated funds which Transamerica then makes available for the investment of Deposits under the Contract; and currently means: any of the CI Canadian Bond Guaranteed Investment Fund; CI Harbour Growth & Income Guaranteed Investment Fund; CI Harbour Guaranteed Investment Fund; CI International Balanced Guaranteed Investment Fund; CI Signature Select Canadian Guaranteed Investment Fund; CI Signature Canadian Balanced Guaranteed Investment Fund; CI Money Market Guaranteed Investment Fund; CI Signature Dividend Guaranteed Investment Fund; CI Signature High Income Guaranteed Investment Fund; and any of the CI Conservative Portfolio Guaranteed Investment Fund; CI Moderate Portfolio Guaranteed Investment Fund; CI Growth Portfolio Guaranteed Investment Fund; and CI Aggressive Growth Portfolio Guaranteed Investment Fund; and Funds means more than one Fund;

**Fund Class** means the portion of a Fund allocated to a particular Class of Units;

**GIF** means Guaranteed Investment Fund;

**Guarantee Options** has the meaning specified on page 33 of this folder;





## Interpretation *cont'd*

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**Initial Class Deposit** Date means, with respect to a particular Class: where there have been no prior Deposits to that Class, the Valuation Date coinciding with the effective date of the first Deposit to that Class or the first reclassification of Units of the other Class as Units of that Class, whichever shall occur first; and where all Units of that Class have been surrendered or reclassified, the Valuation Date coinciding with the effective date of either the next Deposit to that Class or the next reclassification of Units of the other Class as Units of that Class, whichever shall occur first;

**Initial Sales Charge Method** means the method for making Deposits to the Contract whereby a sales charge is deducted from the amount of premium and paid to the Distributor, and the remaining amount (less any applicable premium taxes or other government levies) is allocated to acquire Units;

**ISC Units** means Units allocated to the Contract in the case of a deposit made pursuant to the Initial Sales Charge Method. There are no withdrawals fees charged on ISC Units;

**Owner** means the owner or owners of the Contract, as named in the Application or as changed in accordance with the provisions of the Contract. The owner or owners must be Canadian residents at the time the Contract is issued;

**Reset Date** means the Valuation Date coinciding with or immediately following each anniversary of the Contract Date on which a new Death Benefit Determination Amount is set;

**RSP Age** means age 71 or any other age as defined by the *Income Tax Act* Canada.

**Successor Annuitant** refers to the person who will become the Annuitant when the Annuitant dies and for the purposes of the Contract will be considered the Annuitant. A Successor Annuitant can be designated while the Annuitant is living for a RIF or a non-registered contract;

**Successor Owner** refers to the person under whose name the Contract continues when the Owner dies as long as the Annuitant is living. In Québec, the Successor Owner is referred to as the subrogated policyholder;

**Top Up Benefit™** has the meaning specified on page 37 of this folder;

**Transamerica** means Transamerica Life Canada;

**Underlying Fund** means the mutual fund or other investment fund in which a Fund invests from time to time; and Underlying Funds means more than one Underlying Fund;

**Unit Value** has the meaning specified on page 16 of this folder;

**Units** means participation interests in either Class of one or more Funds and Class Units means participation interests in a particular Class of one or more Funds; and

**Valuation Date** means a business day on which CI is open for a full day of business and on which it determines the market value of the assets of a Fund.



# Summary Description of the Contract

CI Guaranteed Investments Funds is a deferred life annuity contract issued by Transamerica that provides for an annuity on the Contract Maturity Date. It provides you with minimum guarantee benefits on the Class Deposit Maturity Date, Contract Maturity Date and on the death of the Annuitant.

## Plan Types

The Contract may be issued as one of the following plan types: non-registered, retirement savings plan (RSP), locked-in retirement account or locked-in RSP (LIRA) (LRSP), retirement income fund (RIF), life income fund (LIF), prescribed retirement income fund (PRIF) or locked-in retirement income fund (LRIF).

**Non-Registered:** The Contract will be a variable annuity contract which provides for a life annuity following the Contract Maturity Date.

**Retirement Savings Plan (RSP):** The Contract may be established as an RSP for income tax purposes. If the Contract is established as an RSP, interest, dividends and net capital gains and losses realized each year on the assets held in connection with the Contract generally will not be included in determining the Owner's taxable income for the year. The assets held in connection with the Contract may be used to purchase an annuity which meets all requirements imposed under the *Income Tax Act* (Canada). If the Owner does not elect to purchase such an annuity prior to December 31 of the year in which the Owner attains the RSP Age, there will be an automatic transfer of the assets held in connection with the Contract to a RIF on the Owner's behalf (see "Contract Maturity Date", page 39). Fund and Class allocations made in connection with the Contract will remain in place when the assets are transferred to the RIF. Any amounts withdrawn from the Contract by the Owner generally will be taxable as income in the Owner's hands and income tax will be withheld thereon by CI, on behalf of Transamerica, to the extent required by applicable law.

**Locked-In Retirement Account and Locked-In RSP (LIRA):** If the funds transferred to the Contract originate, directly or indirectly, from a registered pension plan, the Contract generally will be established as a LIRA, a LIF or an LRIF. If the Owner does not currently require a pension income and has not attained the RSP Age, the Contract generally will be established as a LIRA. A LIRA is an RSP which meets certain additional requirements imposed by applicable provincial or federal pension benefits standards legislation. Among

other things, these additional requirements impose restrictions on the death benefit and the life annuity that can be provided under the Contract, and limit the ability of the Owner to withdraw funds from the Contract.

**Retirement Income Fund (RIF):** The Contract may be established as a RIF for income tax purposes. If the Contract is established as a RIF, interest, dividends and net capital gains and losses realized each year on the assets of the Funds generally will not be included in determining the Owner's taxable income for the year. Under a RIF, the Owner is permitted, but generally is not required, to purchase a life annuity. Any such annuity must meet the requirements set out in the *Income Tax Act* (Canada). The *Income Tax Act* (Canada) requires that a minimum amount be paid out of the Contract to the Owner each year commencing no later than the end of the year following the year in which the RIF is established. The minimum payment is based on a formula set out in the *Income Tax Act* (Canada), and takes into account the age of the Owner or the Owner's spouse. Retirement payments and any amounts withdrawn from the Contract by the Owner generally will be taxable as income in the Owner's hands and income tax will be withheld thereon by CI, on behalf of Transamerica, to the extent required by applicable law.

**Life Income Fund (LIF):** If the funds transferred to the Contract originate, directly or indirectly, from a registered pension plan, the Contract generally will be established as a LIRA, a LIF or an LRIF. If the Owner currently requires a pension income and/or has attained the RSP Age, the Contract generally will be established as a LIF or an LRIF. A LIF is a RIF which meets certain additional requirements imposed by applicable provincial or federal pension benefits standards legislation. Among other things, these additional requirements impose restrictions on the death benefit and the life annuity that can be provided under the Contract, and impose a maximum amount that may be paid to the Owner out of the assets of the Contract in each year. Thus, under a LIF, there is both a minimum required annual payment (imposed under the *Income Tax Act* (Canada)) and a maximum permitted annual payment (as prescribed under applicable pension benefits standards legislation).



## Summary Description of the Contract *cont'd*

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**Locked-In Retirement Income Fund (LRIF):** If the funds transferred to the Contract originate, directly or indirectly, from a registered pension plan, the Contract generally will be established as a LIRA, a LIF or an LRIF. If the Owner currently requires a pension income and/or has attained the RSP Age, the Contract generally will be established as a LIF or an LRIF. An LRIF is a RIF which meets certain additional requirements imposed by applicable provincial or federal pension benefits standards legislation. Among other things, these additional requirements impose restrictions on the death benefit and the life annuity that can be provided under the Contract, and impose a maximum amount that may be paid to the Owner out of the assets of the Contract in each year. Thus, under an LRIF, there is both a minimum required annual payment (imposed under the *Income Tax Act* (Canada)) and a maximum permitted annual payment (as prescribed under applicable pension benefits standards legislation). While an LRIF may be converted to a life annuity which meets the requirements of both the *Income Tax Act* (Canada) and the applicable pension benefits standards legislation, there is no requirement to do so. Not all Canadian pension benefits standards legislation contemplates the transfer of an accrued pension benefit to an LRIF.

**Prescribed Retirement Income Fund (PRIF):** Currently offered in Saskatchewan and Manitoba. In Saskatchewan, if the funds transferred to the Contract originate, directly or indirectly, from a registered pension plan, the Contract generally will be established as a LIRA or a PRIF. If the Owner currently requires a pension income and/or has attained the RSP Age, the Contract generally will be established as a PRIF. A PRIF is a RIF which meets certain additional requirements imposed by applicable provincial or federal pension benefits standards legislation. Among other things, these additional requirements impose restrictions on the death benefit and the life annuity that can be provided under the Contract. Thus, under a PRIF, there is a minimum required annual payment (imposed under the *Income Tax Act* (Canada)). While a PRIF may be converted to a life annuity which meets the requirements of both the *Income Tax Act* (Canada) and the applicable pension benefits standards legislation, there is no requirement to do so.

In Manitoba, a LIF or LRIF owner who is at least age 55 may apply for a one-time transfer of an amount up to 50% of the balance in one or more of his or her LIFs or LRIFs to a RRIF as defined in the *Income Tax Act* (Canada), which meets the requirements of the regulation governing PRIFs in Manitoba.

Not all Canadian pension benefits standards legislation contemplates the transfer of an accrued pension benefit to a PRIF.

Whatever the plan type, Deposits may be allocated to Class A or Class B Units of various Funds which are available under the Contract (See "Allocation of Deposits", page 14 and "Description of CI Guaranteed Investment Funds and Portfolios", page 2 of the Summary Fact Statements Booklet).

The Owner may change from one registration plan type to another.



## Summary Description of the Contract *cont'd*

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### **Number of Contracts Permitted**

The number of Contracts that Transamerica will issue is limited to one Contract per plan type based on the life of the same Annuitant. If there is more than one Contract per plan type with the same Annuitant, Transamerica has the right to combine those Contracts into one Contract that contains identical features and options as the oldest Contract purchased (other than funds that may currently be available).

The plan types are as follows:

- One (1) non-registered Contract
- One (1) Retirement Savings Plan
- One (1) Spousal Retirement Savings Plan
- One (1) Locked-in Retirement Account as locked-in RSP, per governing pension board
- One (1) Retirement Income Fund
- One (1) Spousal Retirement Income Fund
- One (1) Life Income Fund, per governing pension board
- One (1) Locked-in Retirement Income Fund, per governing pension board
- One (1) Prescribed Retirement Income Fund, per governing pension board



# Deposits

## General

Subject to Transamerica's then current deposit and other administrative rules and any legislative or regulatory requirements, a Deposit or Deposits may be made under a Contract at any time before the commencement of the Closing Decade and the date of death of the Annuitant, whichever shall first occur. Subject to such rules and requirements, the Owner may elect to make a Deposit according to either the Initial Sales Charge Method or the Deferred Sales Charge Method. (See "Deposits Under the Initial Sales Charge Method" and "Deposits Under the Deferred Sales Charge Method", page 13.)

Each amount received by CI, on behalf of Transamerica, under the Contract will be reduced by:

- (a) any sales pursuant to the Initial Sales Charge Method (See "Deposits Under the Initial Sales Charge Method", page 13);
- (b) any premium taxes or other governmental levies with respect to such amount. Currently, there are no such taxes or levies.

Subject to Transamerica's then current administrative rules and any legislative or regulatory requirements, a Deposit may be allocated to Class A Units or Class B Units or Class A and Class B Units in one or more Funds. Deposit(s) specified in the Application will be allocated by CI, on behalf of Transamerica, according to the selection made in such Application and subsequent Deposits will be allocated in accordance with duly completed authorizations and directions.

CI, on behalf of Transamerica, shall have the right to refuse to accept any Deposit according to Transamerica's administrative rules in effect at the time it receives the Deposit from the contributor. In addition, CI, on behalf of Transamerica, shall have the right to refund any Deposit previously accepted within 90 days of receipt.

Transamerica's current deposit and other administrative rules provide, among other things, that Deposits must be in the form of a cheque, the cheque must be drawn on a Canadian financial institution, the cheque must be payable to "Transamerica Life Canada" and must be sent to CI who has the authority to receive and accept or reject (or postpone acceptance of) the Deposit on Transamerica's behalf. Currently, such rules also provide that, in the case of the initial Deposit, a duly completed Application and, in the

case of each subsequent Deposit, all such information as CI may from time to time require, on behalf of Transamerica, must be sent to CI who has the authority to receive and accept or reject (or postpone acceptance of) the Application and/or such other information on Transamerica's behalf.

Transamerica may at any time and from time to time, in its sole discretion, amend its deposit and other administrative rules.

## Deposits Made Pursuant to a Non-electronic Application

In the case of Non-electronic Applications, if the applicable Deposit is received and accepted by CI, on behalf of Transamerica, prior to 4:00 p.m. (Eastern time) on a Valuation Date, then Units will be allocated to the Contract based on the applicable Unit Value in effect on such date (such date being the effective date of that Deposit). In the case of Non-electronic Applications, if the applicable Deposit is received and accepted after 4:00 p.m. (Eastern time) on a Valuation Date, then Units will be allocated to the Contract based on the applicable Unit Value in effect on the next Valuation Date (such date being the effective date of that Deposit). If CI, on behalf of Transamerica, receives such a Deposit on a day which is not a Valuation Date, then the Deposit will be deemed to have been received on the next Valuation Date, and the time of receipt will be prior to 4:00 p.m. (Eastern Time) on such date.



## Deposits *cont'd*

### Deposits Made Pursuant to an Electronic Application

In the case of Electronic Applications, if the applicable Application or subsequent Deposit application is received and approved by CI, on behalf of Transamerica, at or prior to 4:00 p.m. (Eastern time) on a Valuation Date, then Units will be allocated to the Contract based on the applicable Unit Value in effect on such date (such date being the effective date of that Deposit). In the case of Electronic Applications, if the applicable Application or subsequent Deposit application is received and approved after 4:00 p.m. (Eastern time) on a Valuation Date, then Units will be allocated to the Contract based on the applicable Unit Value in effect on the next Valuation Date (such date being the effective date of that Deposit). If CI, on behalf of Transamerica, receives such an Application or subsequent Deposit application on a day which is not a Valuation Date, then the Application or subsequent Deposit application, as the case may be, will be deemed to have been received on the next Valuation Date, and the time of receipt will be prior to 4:00 p.m. on such date.

If the total amount of the Deposit and all necessary documents are not received by CI, on behalf of Transamerica, within three business days of the effective date of the Deposit (or such earlier period as CI, on behalf of Transamerica, may designate at any time and from time to time), CI, on behalf of Transamerica, will be deemed to have received and accepted on the next business day a surrender request for the equivalent number of Units. If the surrender proceeds exceed the amount of the applicable Deposit, then the excess will be retained by the applicable Fund.

### Minimum and Maximum Amounts For Deposit

Currently, Transamerica's deposit rules provide, among other things, as follows:

- (a) the minimum initial Deposit required is \$500.00 for each Class of each Fund to which the Deposit is to be allocated (\$1,000.00 for the CI Money Market Guaranteed Investment Fund);
- (b) each subsequent Deposit to such Class of such Fund must be at least \$100.00 if made by cheque or \$50.00 if made by pre-authorized chequing (PAC) plan; and
- (c) aggregate Deposits under the Contract may not exceed \$500,000.00 in any calendar year without Transamerica's prior written consent.

The minimum and maximum amounts stated in this paragraph are prior to deductions for any sales charges (applicable to Deposits made under the Initial Sales Charge Method) and any premium taxes or other governmental levies.

### Age Restrictions Respecting Deposits and Policy Issue

Currently, Transamerica's deposit and policy issue rules provide that in order to make a deposit or issue a policy, the maximum age which the Annuitant can be as of December 31st of the year in which the deposit is made or the policy issued is outlined in the chart below:

Contract Type	Age of Annuitant
Non-registered	80
RSP, Locked-in RSP or LIRA	71
RIF, LRIF, PRIF or LIF	80
Newfoundland LIF	70

Such restrictions are in addition to any age restrictions respecting Deposits that are imposed by law.



## Deposits *cont'd*

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### **Deposits Under the Initial Sales Charge Method**

If the Initial Sales Charge Method applies, then a sales charge will be deducted from the amount of premium received and paid to the Distributor. The remaining amount (less any premium taxes or other governmental levies) will be divided by the Unit Value on the effective date of the Deposit of each Fund Class to which the Deposit is to be allocated to determine the number of Units of the Fund Class which will be allocated to the Contract. Sales charges are negotiable with the Distributor. The maximum sales charge for all Funds is 5% of premiums.

### **Deposits Under the Deferred Sales Charge Method**

If the Deferred Sales Charge Method applies, then the entire amount of premium (after deducting any premium taxes or other governmental levies) will be divided by the Unit Value on the effective date of the Deposit of each Fund Class to which the Deposit is to be allocated to determine the number of Units of the Fund Class which will be allocated to the Contract. CI will pay the Distributor a selling commission of 5% of the total amount received.

A surrender charge will apply to Units allocated to the Contract under this method if they are surrendered within seven years from the Valuation Date coinciding with the effective date of the applicable Deposit unless the surrender qualifies as a 10% free surrender amount (See "10% Free Surrenders", page 30).



# Allocation of Deposits

Subject to Transamerica's then current administrative rules and any legislative or regulatory requirements, the Owner may request that

all or a portion of the Deposit be allocated to acquire Class A or Class B Units.

## Funds available in Class A Units are as follows:

CI Money Market Guaranteed Investment Fund

CI Moderate Portfolio Guaranteed Investment Fund

CI Conservative Portfolio Guaranteed Investment Fund

CI Growth Portfolio Guaranteed Investment Fund

## Funds available in Class B Units are as follows:

CI Canadian Bond Guaranteed Investment Fund

CI Signature Dividend Guaranteed Investment Fund

CI Harbour Growth & Income Guaranteed Investment Fund

CI Signature High Income Guaranteed Investment Fund

CI Harbour Guaranteed Investment Fund

CI Conservative Portfolio Guaranteed Investment Fund

CI International Balanced Guaranteed Investment Fund

CI Moderate Portfolio Guaranteed Investment Fund

CI Money Market Guaranteed Investment Fund

CI Growth Portfolio Guaranteed Investment Fund

CI Signature Canadian Balanced Guaranteed Investment Fund

CI Aggressive Growth Portfolio Guaranteed Investment Fund

CI Signature Select Canadian Guaranteed Investment Fund

The number of Units acquired in each Fund Class with respect to a Deposit will be equal to the amount allocated to that Fund Class divided by the Unit Value (see "Value of Fund Class Units", page 16) of such Fund Class on the Valuation Date coinciding with the effective date of such Deposit.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**





# Large Total Value Contracts Rule

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Large total value contracts are a group of contracts (or a single contract) that have the same Annuitant and the total value of the Units invested in the contract or contracts exceeds \$2,000,000. If these conditions are satisfied, then the large total value contracts rule applies.

The large total value contracts rule provides that if the Owner wishes to make an additional deposit or fund transfer subsequent to meeting these conditions for the large total value contracts, any funds above the applicable threshold as set out above must be allocated to Funds that will achieve the following diversification standards:

**Money Market GIFs:**

up to 100% of the excess can be invested in these funds

**Fixed Income GIFs:**

up to 100% of the excess can be invested in these funds

**Portfolio GIFs:**

up to 30% of the excess can be invested in these funds

**Asset Allocation Index GIFs:**

up to 30% of the excess can be invested in these funds

**Canadian Equity GIFs:**

up to 30% of the excess can be invested in these funds

**U.S. Equity GIFs:**

up to 30% of the excess can be invested in these funds

**Global GIFs:**

up to 30% of the excess can be invested in these funds

The Owner should consult his or her advisor to determine which CI GIFs fit into each group, above.

Transamerica reserves the right to change or modify the Large Total Value Contracts Rule from time to time.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

## Assets of the Funds

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The assets of the Funds are owned by Transamerica and are segregated from Transamerica's other assets. The Funds are not separate legal entities. Each Fund is notionally divided into Classes only for the purpose of allocating costs of the respective Guarantee Options among Unit holders of the Fund. The assets of a Fund are not partitioned, notionally or otherwise, between Classes. Each Class is divided into Units which are attributed to individual Contracts only for the purpose of determining benefits under those Contracts.

Accordingly, a Unit is a notional concept only and the Owner acquires no direct claim on or property interest in the Units of the Fund Class. The Owner has no right to direct the investment of assets in any Fund. The Owner is not a member or shareholder of Transamerica and has no voting rights arising from a Contract or the attribution of Units to a Contract. As well, the Owner is not a unitholder in any Underlying Fund and, accordingly, acquires no right or interest in any such Underlying Fund.



# Market Value of the Assets of a Fund

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Each Fund Class is valued at 4:00 p.m. (Eastern Time) on a Valuation Date. Generally, the investments of the Funds including the investments in the Underlying Funds, other than money market instruments, are valued at prices determined by the markets in which they trade. Investments in money market instruments are valued at their cost of acquisition adjusted by a constant amortization to maturity of any discount or premium.

Subject to the CLHIA Guidelines on Individual Variable Insurance Contracts and the Fundamental Changes rule outlined on page 17, CI, on behalf of Transamerica, may cause the Funds to be valued on a less frequent basis provided that in no event will a Fund be valued less frequently than monthly.

## Aggregate Fund Class Value

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The "Aggregate Fund Class Value" of a Fund Class on any Valuation Date means the aggregate market value of the assets of the Fund underlying such Fund Class after deducting all of the liabilities of such Fund Class (including, without limitation, insurance fees and other expenses specific to that Fund Class and its proportionate

share of all other liabilities of the Fund at such time which are not specific to the other Fund Class, such proportionate share to be based on the Aggregate Fund Class Value of each Fund Class on the previous Valuation Date) (See "Fund Class and Contractholder Charges and Fees", page 19).

## Unit Value

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The "Unit Value" of a Fund Class on a Valuation Date means the amount obtained when the Aggregate Fund Class Value of such Fund Class on such date is divided by the number of Units in such Fund Class on the previous Valuation Date. The Unit Value of a Fund Class remains in effect until the next Valuation Date. The number of Units in any Fund Class includes fractions.

For each Fund, the net income and capital gains from the Fund's assets will be retained within that Fund, and will increase the value

of the Units in each Fund Class of such Fund. For each Fund, the net losses from the Fund's assets will decrease the value of Units in each Fund Class of such Fund. Such net income, capital gains and net losses will be apportioned between the two Classes of the Fund on the basis of the Aggregate Fund Class Value of each Fund Class on the previous Valuation Date.

CI, on behalf of Transamerica, reserves the right to increase the number of Units by splitting each existing Unit into two or more



## Unit Value *cont'd*

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Units, thus reducing the value of each Unit proportionately. Conversely, the number of existing Units may be reduced by combining two or more of the existing Units. In no event will the

Class Value of the Fund Class or the Contract Value of the Contract be affected by such increase or decrease in the number of Units allocated to the Class or the Contract.

## Contract Value

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The "Class A Contract Value" at any time means the sum of the value of the Class A Units to the Contract's credit in all of the Funds, and "Class B Contract Value" at any time means the sum of the value of the Class B Units to the Contract's credit in all of the Funds. Class Contract Value is calculated for each Fund Class by multiplying the Unit Value of each such Fund Class in effect on the last Valuation Date by the number of Units to the Contract's credit in the particular

Fund Class. **Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

Accordingly, the Contract Value at any time may be more or less than the aggregate Deposits received in respect of the Contract.

## Fundamental Changes

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Under the law, we are required to give you at least 60 days' written notice (the "Notice Period") before making any one of the following changes (called "Fundamental Change(s)"):

- (a) an increase in the management fee which may be charged against the assets of each CI GIF;
- (b) a change in the fundamental investment objectives of each CI GIF;
- (c) a decrease in the frequency with which Units of each CI GIF are valued; or
- (d) if applicable, an increase in the insurance fee limit which may be charged against the assets of each CI GIF.

In the event we make any one of the Fundamental Changes, you have the following options:

- (l) if within the same contract we offer another CI GIF which (i) has similar fundamental investment objectives; (ii) is in the same investment fund category and (iii) has the same or a lower management fee and insurance fee than the CI GIF undergoing the Fundamental Change, you have the right to transfer to the new CI GIF without incurring any deferred sales charge (if applicable) provided we receive your election to exercise the transfer at least 5 days before the expiry of the Notice Period;



## Fundamental Changes *cont'd*

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(II) if we do not offer another CI GIF which meets the conditions outlined in (I)(i) to (iii), you have the right to redeem the Units of the CI GIF subject to the Fundamental Change. The redemption will not be subject to deferred sales charges (if applicable) if we receive your election to redeem the Units at least 5 days before the expiry of the Notice Period.

During the Notice Period, you will not be allowed to transfer to the CI GIF subject to the Fundamental Change unless you agree to waive in writing the right to redeem Units as set out in paragraph (II).

We reserve the right to make Fundamental Changes from time to time, subject to compliance with the clauses noted above. We also reserve the right to change underlying funds. If such a change is a Fundamental Change, you will have the rights described in the section above. Changing an underlying fund to another substantially similar underlying fund will not constitute a Fundamental Change provided immediately following the change the total management fee and insurance fee of the Fund is the same as, or lower than its total management and insurance fee immediately before the change.

A substantially similar underlying fund is one that has a similar fundamental investment objective, is in the same investment fund category and has the same or lower management fee as the underlying fund. We will (a) notify you, our regulators and the Canadian Life Health Insurance Association Inc. at least 60 days in advance of the change (unless such notice is not practical in the circumstances, in which event we will provide notice as soon as possible as reasonably practical), and (b) amend or refile this Information Folder to reflect the change. The foregoing may be superceded by any regulatory developments governing changes to underlying funds.



# Fund Class and Contractholder Charges and Fees

## Fund Class Charges and Fees

Each Fund Class is responsible for paying its insurance fees and each Underlying Fund is responsible for paying its management fees. Each CI GIF Portfolio ("Fund Portfolio") is also responsible for paying its management fees. The combined fees of a Fund Class are the sum of (i) the insurance fee of the Fund Class and (ii) a proportionate share (based on the Aggregate Fund Class Value of each Fund Class on the previous Valuation Date) of the management fee of the Underlying Fund and, in the case of a CI GIF Portfolio, the management fee of the Fund Portfolio. Each Fund Class and each Underlying Fund is also responsible for its own organizational, administrative and operating expenses.

The insurance fee of the Fund Class is a charge by Transamerica for the applicable Guarantee Option in respect of that Fund Class.

The fees payable by the Fund Classes, the Underlying Funds and the Fund Portfolios are computed by multiplying the average daily net asset value of each Fund Class, Underlying Fund or Fund Portfolio, as the case may be, by the relevant rate noted in the table below. The fees are accrued daily and payable daily or monthly. In the case of the Fund Classes the fees and expenses are paid to Transamerica's general fund. There is no duplication in the fees and sales charges of the Fund Classes, the Underlying Funds and the Fund Portfolios.

The Management Expense Ratio ("MER") of a Fund Class is equal to the insurance and management fees and administrative and operating expenses of the Fund Class, the Underlying Fund and, where applicable, the Fund Portfolio expressed as a percentage of the average net assets during the year. MER includes GST and interest.

The management expense ratio of a Fund Class is equal to the sum of (i) a proportionate share of the MER of the applicable Underlying Fund (including GST, capital taxes and interest expense), but excluding portfolio transaction costs, if any; (ii) the insurance fee of the Fund Class, (iii) in the case of a Fund Portfolio, a proportionate share of the management fee of the Fund Portfolio. The management fee of the Fund Portfolio is a fee for the selection and monitoring of the funds in the Portfolio.

Transamerica reserves the right to change from time to time, the insurance fee applicable to any Fund Class. If the change is within the insurance fee limit outlined below, Transamerica will notify you of the change in the statement sent to you at the end of each calendar year. If the change in insurance fee is in excess of the insurance fee limit, the increase will be subject to the provisions outlined in the Fundamental Changes section on page 17. Transamerica further reserves the right to change from time to time, the management fee applicable to any Fund Class in accordance with the provisions of the CLHIA Guidelines on Individual Variable Insurance Contracts in effect at the time of the change. An increase in the management fee, an increase to the insurance fee beyond the insurance fee limit, or an increase in the insurance fee limit are each subject to the Fundamental Change rules outlined on page 17.



## Fund Class and Contractholder Charges and Fees *cont'd*

Fund	COLUMN 1 Annual Management Expense Ratio of Underlying Fund (For the period from March 31, 2006 to March 31, 2007) <sup>(1)</sup>	COLUMN 2 Annual Management Fee	COLUMN 3 Annual Insurance Fee of the Class A Units of the Fund (%) <sup>(2)</sup>
<b>CI Canadian Bond Guaranteed Investment Fund</b>	1.61%	1.35%	1.23%
<b>CI Harbour Growth &amp; Income Guaranteed Investment Fund</b>	2.34%	2.00%	1.93%
<b>CI Harbour Guaranteed Investment Fund</b>	2.34%	2.00%	2.46%
<b>CI International Balanced Guaranteed Investment Fund</b>	2.36%	2.00%	1.82%
<b>CI Money Market Guaranteed Investment Fund</b>	1.07%	1.00%	0.86%
<b>CI Signature Canadian Balanced Guaranteed Investment Fund</b>	2.34%	2.00%	1.82%
<b>CI Signature Select Canadian Guaranteed Investment Fund</b>	2.34%	2.00%	2.41%
<b>CI Signature Dividend Guaranteed Investment Fund</b>	1.81%	1.50%	2.35%
<b>CI Signature High Income Guaranteed Investment Fund</b>	1.54%	1.25%	1.50%

1. This fee represents the audited management expense ratio (MER) for the Underlying Fund including GST

2. This fee includes applicable GST

3. This fee represents an estimate of the annualized management expense ratio MER for the Fund including GST. This estimate includes (a) the MER for the underlying fund; and (b) insurance fee. The MER of the underlying fund includes the management fee, the administrative and operating expenses of the underlying fund.



COLUMN 4 Maximum Annual Insurance Fee of the Class A Units of the Fund (%) <sup>(2)</sup>	COLUMN 5 Annual Insurance Fee of the Class B Units of the Fund (%) <sup>(2)</sup>	COLUMN 6 Maximum Annual Insurance Fee of the Class B Units of the Fund (%) <sup>(3)</sup>	COLUMN 7 Estimated Annualized Management Expense Ratio of Class A Units of the Fund <sup>(3)</sup>	COLUMN 8 Estimated Annualized Management Expense Ratio of Class B Units of the Fund <sup>(3)</sup>
1.85%	0.59%	1.12%	2.84%	2.20%
2.89%	0.80%	1.34%	4.27%	3.14%
3.69%	1.34%	2.01%	4.80%	3.68%
2.73%	0.64%	1.18%	4.18%	3.00%
1.39%	0.32%	0.86%	1.93%	1.39%
2.73%	0.75%	1.28%	4.16%	3.09%
3.61%	1.23%	1.85%	4.75%	3.57%
3.53%	1.23%	1.85%	4.16%	3.04%
2.25%	0.75%	1.28%	3.04%	2.29%



## Fund Class and Contractholder Charges and Fees *cont'd*

CI GIF Portfolio	Weighted Annual Management Expense of Underlying Funds (%) (For the period March 31, 2006 to March 31, 2007) <sup>(1)</sup>	Annual Portfolio Management Fee of the Fund Portfolio (%) <sup>(2)</sup>	Annual Insurance Fee of the Class A Units of the Fund Portfolio (%) <sup>(2)</sup>
<b>CI Conservative Portfolio Guaranteed Investment Fund</b>	2.03%	0.11%	0.96%
<b>CI Moderate Portfolio Guaranteed Investment Fund</b>	2.13%	0.11%	1.12%
<b>CI Growth Portfolio Guaranteed Investment Fund</b>	2.17%	0.11%	1.23%
<b>CI Aggressive Growth Portfolio Guaranteed Investment Fund</b>	2.33%	0.11%	1.77%

1. This fee represents the audited weighted average of the underlying funds' MERs for the Fund Portfolio, including GST

2. This fee includes applicable GST

3. This fee represents an estimate of the annualized management expense ratio MER for the Fund Portfolio including GST. This estimate includes (a) the MER(s) for the underlying funds; (b) insurance fee; and (c) the management fee of the Fund Portfolio. The MER of the underlying funds includes the management fee, administrative and operating expenses of the underlying funds.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

From time to time, CI may waive or cause the waiver of some or all of an Underlying Fund's administrative and operating expenses. Any waived expenses will be disclosed to the Owner. CI is under no obligation to make similar payments in the future and the waiver of certain expenses may be discontinued without notice to or consent of the Owners of the related Fund.

Transamerica reserves the right to change, from time to time, the insurance fee applicable to any Fund Class or Classes provided such change is within the maximum insurance fee limit stated in the above chart. Insurance fees can fluctuate up to the maximum without triggering the Fundamental Change rules outlined on page 17.





Maximum Annual Insurance Fee of the Class A Units of the Fund Portfolio (%) <sup>(2)</sup>	Annual Insurance Fee of the Class B Units of the Fund Portfolio (%) <sup>(2)</sup>	Maximum Annual Insurance Fee of the Class B Units of the Fund (%) <sup>(2)</sup>	Estimated Annualized Management Expense Ratio of Class A Units of the Fund Portfolio (%) <sup>(3)</sup>	Estimated Annualized Management Expense Ratio of Class B Units of the Fund Portfolio (%) <sup>(3)</sup>
1.50%	0.59%	1.12%	3.10%	2.73%
1.69%	0.64%	1.18%	3.36%	2.88%
1.85%	0.70%	1.23%	3.51%	2.98%
2.65%	1.28%	1.93%	4.21%	3.72%

**Owner Charges and Fees:**

Charges and fees may apply to and be payable directly by the Owner of the Contract. The following is a list describing such charges and fees:

- (a) sales charges will apply to an Owner who has elected that a deposit be made pursuant to the Initial Sales Charge Method (See "Deposits", page 11);
- (b) deferred sales charges will apply to withdrawals (surrenders) if an owner has elected that a deposit be made pursuant to the deferred sales charges (See "Surrenders", page 27); and
- (c) fees may apply when the Owner requests the cancellation of some or all of the Units to the Contract's credit in either Class of one Fund, and the allocation of the value of such Units to Units in either Class of another Fund (See "Transfers and Fund Availability", page 26).



# Compensation of Distributor

The Distributor who solicited the Contract or who is then assigned to the Contract may receive a sales charge in connection with each Deposit to the Contract, a monthly servicing commission and/or certain other sales incentives.

## Sales Charges

**Initial Sales Charge Method:** When the Initial Sales Charge Method is elected in connection with a Deposit, a sales commission of up to 5% will be deducted from the premium and paid to the Distributor (\$50 per \$1000 of premium received). The remaining amount less any premium taxes or other governmental levies is allocated to acquire Units in the selected Fund Classes. Sales commissions may be negotiated with the Distributor.

**Deferred Sales Charge Method:** When the Deferred Sales Charge Method is elected in connection with a Deposit, no amount is deducted from the premium (other than any premium taxes or other governmental levies), and the Distributor will receive a fixed commission of 5% (\$50 per \$1000 of premium received). This sales

option may be cancelled at any time by Transamerica. A fee for early surrender will generally apply to DSC Units if there is a surrender within seven years from the effective date of Deposit and they are cancelled as a result. Please see page 28 for details on the Deferred Sales Charge fee.

## Servicing Commissions

A servicing commission consisting of a portion of the management fee is shared with the Distributor. It pays for the ongoing advice and service the Owner is entitled to receive from the Distributor so long as the Owner's deposit remains in Units of either Class of the particular Fund.

Monthly servicing commissions will be paid to approved Distributors based upon the value of the deposit in Units of either Class of the Funds held by all of the Distributor's clients throughout the month. The current annual rates, which may be changed at any time, are indicated below.

Fund	Annual Service Fees	
	ISC Units	DSC Units*
<b>CI Money Market Guaranteed Investment Fund</b>	1/4%	none
<b>CI Signature Dividend Guaranteed Investment Fund</b>		
<b>CI Canadian Bond Guaranteed Investment Fund</b>	1/2%	1/4%
<b>CI Signature High Income Guarantee Investment Fund</b>		
<b>All Other Funds</b>	1%	1/2%

\*The annual service fee rate applicable for DSC units will change to the ISC rate on the seventh anniversary of the deposit.



## Compensation of Distributor *cont'd*

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### **Sales Incentives**

Co-Operative Marketing and Marketing Incentive Programs: CI, on behalf of Transamerica, may from time to time fund on a co-operative basis with Distributors up to 50% of the direct costs of certain sales communications and investor seminars to provide educational information concerning the Funds, the Underlying Funds or segregated or mutual funds generally. Investors will be given notice in the sales communication or seminar that Transamerica and/or CI have paid in part for the sales communication or seminar.

Conferences and Other Educational Programs: CI, on behalf of Transamerica, may financially participate in or provide product support at conferences of Distributors, the primary purpose of which is the provision of educational information about financial planning, investing in securities, insurance or mutual fund industry matters, the Funds or the Underlying Funds. However, Transamerica and/or CI will not subsidize more than 10% of the direct total cost (excluding travel and accommodation costs) of such conferences. Transamerica and/or

CI may reimburse Distributors for up to the total cost of the fees for educational courses taken by Distributors, the primary purpose of which is the provision of educational information about financial planning, investing in securities, insurance or mutual fund industry matters, the Funds or the Underlying Funds. Transamerica and/or CI also host seminars or conferences for Distributors, the primary purpose of which is the provision of educational information about financial planning, investing in securities, insurance or mutual fund industry matters, the Funds or the Underlying Funds, although Transamerica and/or CI will not pay or subsidize the travel and accommodation costs of Distributors to attend such seminars or conferences.

Promotional and Other Items: CI, on behalf of Transamerica, may give promotional items of nominal value to Distributors and may engage in reasonable business promotional activities with Distributors.



# Recovery of Expenses and Investment Losses

The Owner agrees to indemnify Transamerica and CI for any costs, expenses and investment losses which they incur as a result of incomplete or incorrect information provided by the Owner to

Transamerica or CI, acting on behalf of Transamerica, including, but not limited to, those costs, expenses and investment losses caused by NSF (not sufficient funds) payments.

## Transfers and Fund Availability

Subject to Transamerica's then current administrative rules as well as any applicable charges and fees, the Owner may, at any time and from time to time before the Contract Maturity Date, request in writing a cancellation of some or all of the Units to the Contract's credit in one or more Fund Classes, and the allocation of the value of such Units to Units of the same Class of another Fund or Funds then available. Transamerica's age restrictions respecting Deposits shall apply equally to transfers between Funds (See "Age Restrictions Respecting Deposits", page 12).

At any time before the Contract Maturity Date and subject to Transamerica's then current administrative rules and applicable charges and fees, you may request that DSC Units (including the 10% free surrenders) be changed to ISC Units and *vice versa*. An exchange of DSC Units to ISC Units and *vice versa* will not be processed as a transfer but as a surrender of the originating units and a deposit of the resulting units. With ISC units, the amount of ISC sales commission is negotiated between you and the Distributor.

For example, if a request is made to move the 100 DSC units of a fund, we will withdraw and sell the 100 DSC units and use the proceeds of the sale to purchase ISC units, which will then be deposited to your Contract. **As with any withdrawals and deposits, the values attributable to the withdrawal and deposit are subject to market fluctuations. This transaction will impact the Benefit Determination Amount of your Contract and will extend the Deposit Maturity Date. Accordingly, an exchange of DSC to ISC or ISC to DSC is not advisable in some circumstances, e.g. when the DSC schedule is close to expiry or where the amount of ISC is greater than the applicable DSC. Please consult your advisor before proceeding with the exchange of DSC Units to ISC Units or vice versa.**

Transfers may be subject to the Short-Term Trading Fee if you make a Deposit or transfer to a Fund and subsequently withdraw or transfer out of that Fund within 30 days of the Valuation Date of such Deposit or transfer. The Short-Term Trading Fee is 2% of the amount of the Deposit or transfer and may be levied regardless of whether the Deposit was

made on the ISC or DSC method. The Short-Term Trading Fee is deemed a withdrawal under the Contract. Therefore the Benefit Determination Amount of your Contract will be reduced proportionately by the amount of the Short-Term Trading Fee.

If the request to transfer is received in good order by CI, on behalf of Transamerica, at or prior to 4:00 p.m. (Eastern time) on a Valuation Date, then the value of the Units cancelled in a Fund Class to effect such a transfer will be based on the Unit Value of that Fund Class in effect on such date (such date being the effective date of that transfer). If the request to transfer is received in good order by CI, on behalf of Transamerica, after that time, then the value of the Units cancelled in a Fund Class will be based on the Unit Value of that Fund Class in effect on the next Valuation Date (such date being the effective date of that transfer). Transamerica's current administrative rules provide, among other things, that a request to transfer between Funds must be in writing, be accompanied by all such information as Transamerica may from time to time require, and be sent to CI, on behalf of Transamerica, who has the authority to receive and accept or reject (or postpone acceptance of) the transfer request. Incomplete information will result in either the rejection of a transfer request or the postponement of its acceptance. In exceptional cases, transfers may be delayed where it is not practical to dispose of assets held in a Fund or the transfer would be unfair to other Owners

The number of Units acquired in a Fund Class upon a transfer between Funds will be equal to the amount allocated to the new Fund Class divided by the Unit Value of that new Fund Class in effect on the Valuation Date coinciding with the effective date of the transfer.

DSC Units will continue to be subject to surrender fees at the same rates based on the effective date of Deposit of the original DSC Units (See "Deferred Sales Charge Fee", page 28).

Transamerica reserves the right to discontinue any of the Funds at any time, by giving the Owner written notice of Transamerica's intent to discontinue the Fund at least 60 days in advance. During the notice period, the Owner shall not deposit funds or transfer new funds to the



## Transfers and Fund Availability *cont'd*

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Fund or Funds designated as discontinued. In such case, CI, on behalf of Transamerica, will automatically cancel the Units to the Contract's credit in both Classes of any Fund being discontinued and allocate the value of such Units to acquire Units in the same Class of another Fund. The written notice to the Owner will specify the Fund or Funds which will no longer be available, the Fund in which CI, on behalf of Transamerica, proposes to acquire Units, and the date this automatic Fund transfer is to be effective. The value of the Units cancelled and the number of Units acquired will be based on the Unit Value of the particular Fund Classes in effect on the Valuation Date coinciding with or next following the date of the automatic transfer. At any time before the automatic transfer date specified in the notice, the Owner may request in writing that CI, on behalf of Transamerica, effect an alternative Fund transfer in accordance with this provision.

Transamerica reserves the right to designate that any of the Funds will no longer be available for new Deposits or for transfers to the designated Fund by giving Owners written notice of Transamerica's intent to do so at least 60 days in advance. During the notice period, the Owner shall not deposit or transfer new funds to the Fund or Funds

designated as no longer available for new Deposits or transfers, except for transfers received within 10 days of the notice date. This right shall not operate or be construed so as to limit or restrict any other right that Transamerica has under the terms of the Contract.

Transamerica may open new Funds or re-open Funds previously closed for new deposits or transfers.

All transfers between funds, including a transfer between DSC to ISC units, or vice versa, as well as a transfer as a result of a fund discontinuance will be construed as a disposition of the Units cancelled for Canadian federal income tax purposes (See "Tax Status of the Owner", page 55).

For information on reclassifying Class A Units of a Fund as Class B Units of that Fund, see "Change of Guarantee Option" at page 47.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

## Surrenders

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### Surrender Generally

Subject to Transamerica's then current administrative rules as well as any applicable charges and fees, and subject to any applicable legislative or regulatory requirements including those applicable where the policy is issued as a LIRA, Locked-in RSP, PRIF, LRIF or LIF, the Owner may effect a full or partial surrender of the Contract for cash by requesting in writing that CI, on behalf of Transamerica, surrender the whole or any portion of the Units to the Contract's credit in one or more of the Funds, at any time before the Contract Maturity Date. Surrender, including but not limited to the 10% free withdrawal will proportionately reduce the Benefit Determination of your contract.

A surrender may only be effected if the Annuitant is then still living.

Surrenders may be subject to the Short-Term Trading Fee if you make a Deposit or transfer to a Fund and subsequently surrender out of that Fund within 30 days of the Valuation Date of such Deposit or transfer. The Short-Term Trading Fee is 2% of the amount of the Deposit or transfer and may be levied regardless of whether the Deposit was made on the ISC or DSC method. It is in addition to the surrender fee. The Short-Term Trading Fee is deemed a withdrawal under the Contract.

Therefore the Benefit Determination Amount of your Contract will be reduced proportionately by the amount of the Short-Term Trading Fee.

Upon a surrender, CI, on behalf of Transamerica, will pay to the Owner the portion of the Contract Value represented by the Units surrendered to effect the requested surrender less any fee for early surrender in the case DSC Units, any other unpaid administrative fees and charges owed by the Owner to Transamerica, or CI on behalf of Transamerica, and any taxes which may be required by law to be withheld.

If the request for a surrender is received in good order by CI, on behalf of Transamerica, at or prior to 4:00 p.m. (Eastern time) on a Valuation Date, then the value of the Units surrendered from a Fund Class will be based on the Unit Value of that Fund Class from which the units are surrendered in effect on such date (such date being the effective date of that surrender). If the request for a surrender is received in good order by CI, on behalf of Transamerica, after that time, then the value of the Units surrendered from a Fund Class will be based on the Unit Value of that Fund Class in effect on the next Valuation Date (such date being the effective date of that surrender). Transamerica's current administrative rules provide, among other things, that a request for a surrender must be



## Surrenders *cont'd*

in writing, be accompanied by all such information as CI, on behalf of Transamerica, may from time to time require, and be sent to CI, on behalf of Transamerica. Incomplete information will result in either the rejection of a surrender request or the postponement of its acceptance. In exceptional cases, surrenders may be delayed where it is not practical to dispose of assets held in Fund or the withdrawal would be unfair to other Owners.

**Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

CI, on behalf of Transamerica, will make payment within ten (10) days following the effective date of the surrender. CI, on behalf of Transamerica, reserves the right to delay the payment of any Top Up Benefit up to six (6) months following the effective date of the surrender (see "Top Up Benefit", page 37). If CI, on behalf of Transamerica, delays payment for more than thirty (30) days, then CI, on behalf of Transamerica, will pay the Owner or other eligible recipient, interest from the effective date of the surrender at a rate to be determined by CI, on behalf of Transamerica, from time to time.

For a non-registered Contract, a cancellation of Units in a Fund Class is generally treated for Canadian federal income tax purposes as a disposition of capital property (see Tax Status of the Owner, page 55).

**Minimum Contract Value**

Subject to any applicable legislative or regulatory requirements including those applicable where the policy is issued as an RSP, LIRA, Locked-in RSP, RIF, LRIF, PRIF or LIF, if, at any time, the Benefit Determination Amount is less than \$500.00, CI, on behalf of Transamerica, has the right to surrender all of the Units to the Contract's credit and terminate the Contract. When, CI, on behalf of Transamerica, exercises this right, the Contract Value less any fee for early surrender in the case of DSC Units, any other unpaid administrative fees and charges owing by the Owner to Transamerica and any taxes which may be required by law to be withheld, will be paid to the Owner in cash. **Any Amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

**Deferred Sales Charge Fee**

Deposits may be allocated under the Contract pursuant to either the Initial Sales Charge Method or the Deferred Sales Charge Method. A surrender fee may apply to Units allocated to the Contract under the Deferred Sales Charge Method (DSC Units) but will not apply to Units allocated to the Contract under the Initial Sales Charge Method (ISC Units).

Subject to the 10% free surrender privilege (see "10% Free Surrenders", page 30), surrenders of DSC Units from a particular Fund made during the applicable surrender fee period will be subject to a fee for early surrender. A surrender fee period commences in respect of each Deposit on the effective date of such Deposit. The fee for early surrender will be calculated as a percentage of the original value of the DSC Units surrendered, based on the Unit Values on the effective date of Deposit and based on the deposit year in which they are surrendered, as set forth below:

Period during which surrender occurs, calculated from the effective date of Deposit	Fee for early surrender as a percentage of the original value of DSC Units surrendered
1st Year	5.5%
2nd Year	5.0%
3rd Year	5.0%
4th Year	4.0%
5th Year	4.0%
6th Year	3.0%
7th Year	2.0%
Thereafter	0.0%



## Surrenders *cont'd*

The following tables illustrate the calculation of the fee for early surrender in the event of a surrender of DSC Units based on examples of the Contract Value. In each case, all of the Units allocated to the Contract are DSC Units. An accumulation of value may be used at maturity to provide an annuity. The surrender fee is deemed a withdrawal under the Contract. Therefore, the Benefit Determination Amount of your Contract will be reduced proportionately by the amount of the surrender fee.

Table 1: It is assumed that one Deposit of \$10,000 is received and the full amount thereof is credited to the Contract pursuant to the Deferred Sales Charge Method and that each Unit Value increases uniformly at 7.50% per year. The effect of the 10% free surrender privilege has not been shown in the table. **Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

End of Year	Annual Deposits Credited (\$)	Cumulative Deposits Credited (\$)	Contract Value With 7.5% Growth In Unit Value (\$)	Fee for Early Surrender (\$)	Contract Value Less Fee for Early Surrender (\$)
1	10,000.00	10,000.00	10,750.00	550.00	10,200.00
2	-	10,000.00	11,556.25	500.00	11,056.25
3	-	10,000.00	12,422.97	500.00	11,922.97
4	-	10,000.00	13,354.69	400.00	12,954.69
5	-	10,000.00	14,356.29	400.00	13,956.29
6	-	10,000.00	15,433.02	300.00	15,133.02
7	-	10,000.00	16,590.49	200.00	16,390.49
8	-	10,000.00	17,834.78	0.00	17,834.78



## Surrenders *cont'd*

Table 2: It is assumed that an annual Deposit of \$10,000.00 is received and the full amount thereof is credited to the Contract pursuant to the Deferred Sales Charge Method and that each Unit Value increases uniformly at 7.50% per year. The effect of the 10%

free surrender privilege has not been shown in the table. **Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

End of Year	Annual Deposits Credited (\$)	Cumulative Deposits Credited (\$)	Contract Value With 7.5% Growth In Unit Value (\$)	Fee for Early Surrender (\$)	Contract Value Less Fee for Early Surrender (\$)
1	10,000.00	10,000.00	10,750.00	550.00	10,200.00
2	10,000.00	20,000.00	22,306.25	1,050.00	21,256.25
3	10,000.00	30,000.00	34,729.22	1,550.00	33,179.22
4	10,000.00	40,000.00	48,083.91	1,950.00	46,133.91
5	10,000.00	50,000.00	62,440.20	2,350.00	60,090.20
6	10,000.00	60,000.00	77,873.22	2,400.00	75,223.22
7	10,000.00	70,000.00	94,463.71	2,650.00	91,913.71
8	10,000.00	80,000.00	112,298.49	2,850.00	109,448.49

**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

### 10% Free Surrenders

The Owner can defer the payment of the fees for early surrender on some of the DSC Units surrendered. Currently, the maximum number of DSC Units that may be surrendered in each calendar year without paying any fees for early surrender at the time of surrender is computed by the following formula:

$$\begin{array}{l}
 \text{10\% of the} \\
 \text{number of} \\
 \text{DSC Units} \\
 \text{allocated to} \\
 \text{a Fund Class} \\
 \text{in the current} \\
 \text{calendar year}
 \end{array}
 \times
 \begin{array}{l}
 \text{the number} \\
 \text{of months} \\
 \text{remaining in} \\
 \text{the calendar} \\
 \text{year including} \\
 \text{the month of} \\
 \text{allocation} \\
 \hline
 12
 \end{array}
 +
 \begin{array}{l}
 \text{10\% of the} \\
 \text{number of DSC} \\
 \text{Units which the} \\
 \text{Owner held in} \\
 \text{the Fund Class} \\
 \text{on December 31} \\
 \text{of the preceding} \\
 \text{year}
 \end{array}$$





## Surrenders *cont'd*

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In other words, no fees are payable for early surrender if the number of DSC Units during any calendar year plus 10% of DSC Units held in a Fund Class on December 31 of the preceding year do not exceed 10% of the DSC Units in a Fund Class. However, any amount in excess of 10% of DSC Units allocated to the Fund Class in the current calendar year plus 10% of DSC Units held to the credit of the Fund Class on December 31 of the preceding year will be subject to the withdrawal fee.

However, when DSC Units are surrendered without paying fees for early surrender as set out above, for the purpose of computing future fees for early surrender, **the cost attributable to the remaining DSC Units in the Fund Class is increased pro rata among the remaining DSC Units in that Fund Class by the cost of the surrendered DSC Units in that Fund Class. As a result, the Owner will pay a higher fee for early surrender in respect of DSC Units in a calendar year in excess of those permitted to be surrendered without a fee under this privilege.**

Under this privilege, any number of surrenders up to the annual 10% limit per Fund Class will be permitted in any calendar year without a fee for early surrender but the right is not cumulative and cannot be carried forward to future calendar years.

### **Surrender Order**

All amounts to be surrendered or otherwise withdrawn for any reason whatsoever from the Funds will be withdrawn in the amount or amounts and from the Fund Class or Classes designated by the Owner in writing. Any allocation for withdrawals among Fund Classes designated by the Owner in writing including, without limitation, any allocation made in the Application, will continue in full force and effect and will apply to all future withdrawals made under the Contract until CI, on behalf of Transamerica, receives a subsequent duly completed direction. Subject to the foregoing, DSC Units will be surrendered on a "first in, first out" basis (i.e. the first such Unit allocated to the Contract will be surrendered first, then the second such Unit, and so on).

If for any reason CI, on behalf of Transamerica, is not able to fully process any particular withdrawal including, without limitation, for the reason that the Owner has not specified the particular Fund Class or Classes from which the withdrawal is to be made or, although the Owner has specified such source of the withdrawal, the value of the Units to the Contract's credit in the particular Fund Class or Classes is insufficient to make the withdrawal, then CI, on behalf of Transamerica, will return to the Owner the request for withdrawal so that it may be revised.

This section applies to any surrenders made in respect of the Contract including, without limitation, those made in respect of scheduled income payments, if any, and any other partial surrenders.



# Guaranteed Benefits

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The Contract provides certain guaranteed benefits:

- CI GIF Class deposit maturity benefit
- CI GIF Class contract maturity benefit
- CI GIF Class death benefit

Each of these benefits is described in the following sections. Each requires an understanding of how CI, on behalf of Transamerica, keeps track of the Owner's Deposits, and how it determines the value of the Owner's Deposits relative to their guaranteed value. The Contract gives the Owner the right to choose between two levels of guarantee benefits (see "Guarantee Options" on page 33) by allocating each Deposit to the Class A Units or Class B Units of the Fund or Funds of the Owner's choice. The Owner may allocate part of each Deposit to Class A Units of one or more Funds and the balance to Class B Units of other Funds. The Owner may choose to allocate Deposits to different Classes of Units for each particular Fund at the time of each Deposit.

## Tracking Deposits

CI, on behalf of Transamerica, allocates all of the Deposits the Owner makes to the Contract to Class A Deposit Year Accounts or Class B Deposit Year Accounts in accordance with the Owner's instructions. In the case of a Class of Units to which the Owner allocates all or a portion of the initial Deposit, the Class Deposit Year in respect of which CI, on behalf of Transamerica, will maintain a Class Deposit Year Account is the period that begins with the Contract Date and ends on the day before the anniversary date of the Contract Date. Subsequent Class Deposit Years for such Class or Classes begin on the anniversary of the Contract Date and end on the day before the next anniversary of the Contract Date.

If all of the initial Deposit is allocated to a particular Class of Units we will establish a separate Class Deposit Year Account for the other Class of Units at the time of the first Deposit which is allocated to Units of that other Class. The Class Deposit Year for that other Class in respect of which CI, on behalf of Transamerica, will maintain a separate Class Deposit Year Account is the period that begins with the Valuation Date coinciding with the effective date of the first Deposit to such Class and ending on the day before the anniversary date of such Valuation Date. Subsequent Class Deposit Years for such Class begin on the anniversary of such Valuation Date and end on the day before the next anniversary of each Valuation Date.

The Class Deposit Year Accounts are notional concepts that allow us to keep track of Deposits. Guaranteed benefits under the Contract are calculated based on Class Deposit Year Accounts.

Transamerica reserves the right to designate that any of the Fund Classes will no longer be available for new Deposits or for transfers or reclassifications to the designated Fund Class by giving Owners written notice of Transamerica's intent to do so at least 60 days in advance. During the notice period, the Owner shall not deposit or transfer new funds to the Fund or Funds designated as no longer available for new Deposits or transfers, except for transfers received within 10 days of the notice date. This right shall not operate or be construed so as to limit or restrict any other right that Transamerica has under the terms of the Contract. Transamerica reserves the right to offer Funds in Units of one Class only.



# Guarantee Options

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When the Owner makes a Deposit to a Fund, the Owner must select one Guarantee Option from two available options:

## 1. 100/100 Guarantee Option

This option will result in deposits allocated to Class A Units, which are currently not available in some of the Funds.

### **Deposit Maturity Guarantee**

100% of the Owner's total Deposits allocated to the maturing Class A Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on a Class A Deposit Maturity Date (See "Class Deposit Maturity Benefit", page 36).

### **Contract Maturity Guarantee**

The aggregate of 100% of the Owner's Deposits allocated to each Class A Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on the Contract Maturity Date (See "Contract Maturity Benefit", page 39).

### **Death Guarantee**

The aggregate of 100% of the Owner's Deposits allocated to each Class A Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on the Death Benefit Date (See "Death Benefit", page 44).

## 2. 75/100 Guarantee Option

This option will result in deposits allocated to Class B Units, which are currently available in all of the Funds.

### **Deposit Maturity Guarantee**

75% of the Owner's total Deposits allocated to the maturing Class B Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on a Class B Deposit Maturity Date (See "Class Deposit Maturity Benefit", page 36).

### **Contract Maturity Guarantee**

The aggregate of 75% of the Owner's Deposits allocated to each Class B Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on the Contract Maturity Date (See "Contract Maturity Benefit", page 39).

### **Death Guarantee**

The aggregate of 100% of the Owner's Deposits allocated to each Class B Deposit Year Account (less a proportionate market value reduction for withdrawals, including but not limited to the 10% free surrender and applicable fees) are guaranteed on the Death Benefit Date (See "Death Benefit", page 44).



# Maturity and Death Benefits

## Benefit Determination Amount

“Benefit Determination Amount” in respect of a Class Deposit Year Account means, on the first Valuation Date of such Class Deposit Year, the aggregate of all Deposits allocated to such Class Deposit Year Account as of such date, and on any subsequent Valuation Date, means the amount determined as at such time in accordance with the following formula:

WHERE:

$$(A + B) - C$$

- A** is the Benefit Determination Amount in respect of such Class Deposit Year Account on the previous Valuation Date;
- B** is the aggregate of all Deposits allocated to such Class Deposit Year Account since the previous Valuation Date;
- C** is the aggregate of all amounts each of which is determined in accordance with the following formula in respect of each payment, Short-Term Trading Fee, surrender or other withdrawal or reclassification (on a first-in first-out basis) from such Class Deposit Year Account since the previous Valuation Date:

$$A \times \frac{D}{E}$$

- D** is the aggregate market value of the Units of such Class Deposit Year Account surrendered to effect the withdrawal or reclassification, determined by multiplying for each applicable Fund Class, the applicable Unit Value of the Fund Class on the subject Valuation Date by the applicable number of Units of such Fund Class withdrawn or reclassified from such Fund Class; and
- E** is the Class Deposit Year Account Value of such Class Deposit Year Account immediately prior to the withdrawal.

Transfers between Funds within the same Class will be deemed not to affect the Benefit Determination Amount except for the proportionate reduction in the Benefit Determination Amount in respect of fees, including the Surrender and Short-Term Trading Fee. For each Deposit Maturity Date,

- (i) if the 100/100 Guarantee Option is chosen, the Benefit Determination Amount will in no event be less than 75% of the amount by which  $(A + (100\% \text{ of } B))$  exceeds  $C$ ; or
- (ii) if the 75/100 Guarantee Option is chosen the Benefit Determination Amount will in no event be less than the amount by which  $(A + (75\% \text{ of } B))$  exceeds  $C$ . Furthermore, for purposes of calculating the 75% Deposit Maturity Guarantee, no deduction will be made for sales charges under the ISC method when calculating the Benefit Determination Amount.

To illustrate how the Benefit Determination Amount works in a rising market, assume the following:

- (a) a Deposit of \$100,000.00 was allocated to the Class A Units of the CI Signature Canadian Balanced Guaranteed Investment Fund (ISC option) on January 2, 2007, and it was the first Deposit allocated to a Class A Deposit Year Account;
- (b) a withdrawal was made from the CI Signature Canadian Balanced Guaranteed Investment Fund on July 3, 2012 (5.5 years from the initial deposit), and the aggregate market value of the Units surrendered to effect such withdrawal was \$66,000.00;
- (c) the Class A Deposit Year Account Value immediately prior to such withdrawal was \$148,849.22;\*

\* assuming 7.5% compounded annual growth in Unit Value

- (d) there were no other Deposits or withdrawals; and
- (e) the Class A Deposit Maturity Date is January 2, 2017.



## Maturity and Death Benefits *cont'd*

Accordingly, on January 2, 2007, the Benefit Determination Amount would be established at \$100,000.00 and it would remain unchanged until July 3, 2012, when it would decrease by an amount determined pursuant to the formula set forth above. Under such formula,

A is \$100,000.00;  
B is \$0.00;  
D is \$66,000.00; and  
E is \$148,849.22.

$$C = A \times \frac{D}{E} \text{ or } \$100,000.00 \times \frac{\$66,000.00}{\$148,849.22} \text{ or } \$44,340.17$$

Accordingly, the Benefit Determination Amount immediately following the withdrawal would be equal to (A+B) - C or (\$100,000.00 + 0.00) - \$44,340.17 or \$55,659.83 and that would, in the example, remain unchanged until January 2, 2017.

The Class Deposit Year Account Value of the units immediately following the withdrawal is equal to (\$148,849.22 - \$66,000) = \$82,849.22

To illustrate how the Benefit Determination Amount works in a declining market, assume the following:

- (a) a Deposit of \$100,000.00 was allocated to the Class A Units of the CI Signature Canadian Balanced Guaranteed Investment Fund on January 2, 2007, and it was the first Deposit allocated to a Class A Deposit Year Account;
- (b) a withdrawal was made from the CI Signature Canadian Balanced Guaranteed Investment Fund on July 3, 2012 (5.5 years from the initial deposit), and the aggregate market value of the Units surrendered to effect such withdrawal was \$66,000.00;

- (c) the Class A Deposit Year Account Value immediately prior to such withdrawal was \$89,483.59;\*

\* assuming 2% compounded annual rate of decline

- (d) there were no other Deposits or withdrawals; and
- (e) the Class A Deposit Maturity Date is January 2, 2017.

Accordingly, on January 2, 2007, the Benefit Determination Amount would be established at \$100,000.00 and it would remain unchanged until July 3, 2012, when it would decrease by an amount determined pursuant to the formula set forth above. Under such formula,

A is \$100,000.00;  
B is \$0.00;  
D is \$66,000.00; and  
E is \$89,483.59.

$$C = A \times \frac{D}{E} \text{ or } \$100,000.00 \times \frac{\$66,000.00}{\$89,483.59} \text{ or } \$73,756.54$$

Accordingly, the Benefit Determination Amount immediately following the withdrawal would be equal to (A+B) - C or (\$100,000.00 + 0.00) - \$73,756.54 or \$26,243.46 and that would, in the example, remain unchanged until January 2, 2017.

The Class Deposit Year Account Value of the units immediately following the withdrawal is equal to (\$89,483.59 - \$66,000) = \$23,483.59

**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**



# Class Deposit Maturity Benefit and Death Benefit Determination Amount

## Class Deposit Maturity Date

A "Class Deposit Maturity Date" is the date on which (A) a Class Deposit Maturity Benefit is applicable; and (B) the Benefit Determination Amount for purposes of calculating the Death Benefit (the "Death Benefit Determination Amount") will be determined. Each Class Deposit Year Account of the Contract will be deemed to have a Class Deposit Maturity Date which will occur on the tenth anniversary of the beginning of the Class Deposit Year associated with such Account unless the Class Deposit Maturity Date would occur within 10 years of the Contract Maturity Date, in which case the Class Deposit Maturity Date will occur on the Contract Maturity Date. All Deposits allocated to a specific Class Deposit Year Account will be deemed to have the same Class Deposit Maturity Date. The first Class Deposit Maturity Date for each Class is the tenth anniversary of the Initial Class Deposit Date for such Class.

## (A) Class Deposit Maturity Benefit

The "Class A Deposit Maturity Benefit" in respect of a Class A Deposit Year Account is equal to the greater of:

- (a) the Class Deposit Year Account Value in respect of such Class A Deposit Year Account at the Class Deposit Maturity Date of such Class A Deposit Year Account, and
- (b) 100% of the Benefit Determination Amount of such Class A Deposit Year Account at such time.

The "Class B Deposit Maturity Benefit" in respect of a Class B Deposit Year Account is equal to the greater of:

- (a) the Class Deposit Year Account Value in respect of such Class B Deposit Year Account at the Class Deposit Maturity Date of such Class B Deposit Year Account; and
- (b) 75% of the Benefit Determination Amount of such Class B Deposit Year Account at such time.

The amount, if any, by which 100% of the applicable Benefit Determination Amount in the case of Class A Deposit Year Account or 75% of the Benefit Determination Amount in the case of a Class B Deposit Year Account, exceeds the applicable Class Deposit Year Account Value, is called the "top-up benefit".

We reserve the right not to re-deposit your deposit on a Class Deposit Maturity Date. In this case, we will pay the Class A or Class B Deposit Maturity Benefit to you less any applicable charges or taxes.

To illustrate how the Class Deposit Maturity Benefits work, assume the following:

- (a) a Deposit of \$100,000.00 was allocated to either Class of the CI Signature Canadian Balanced Guaranteed Investment Fund on January 2, 2007, and it was the first Deposit allocated to a Class Deposit Year Account;
- (b) there were no other Deposits prior to the Class Deposit Maturity Date and there were no surrenders or other withdrawals; and
- (c) the Class Deposit Year Account Value on the Class Deposit Maturity Date is \$90,000.00.

Accordingly, on January 2, 2007, the Benefit Determination Amount would be established at \$100,000.00 and it would remain unchanged through to the Deposit Maturity Date, at which time the Class A Deposit Maturity Benefit would be calculated as the greater of (a) \$90,000.00, and (b) \$100,000.00, being \$100,000.00. The Class B Deposit Maturity Benefit would be calculated as the greater of (a) \$90,000.00 and (b) \$75,000.00 (i.e., 75% of \$100,000.00), being \$90,000.00.

## Cashing or Re-deposit of the Class Deposit Maturity Benefit

The Owner has 2 options regarding the Class Deposit Maturity Benefit:

- (1) Request a cash payment of the Class Deposit Maturity Benefit; or
- (2) Re-deposit the Class Deposit Maturity Benefit.

### (1) Cash Payment

To receive a cash payment, the Owner must notify CI, on behalf of Transamerica, of his or her intention to do so before the Class Deposit Maturity Date. Provided that the Contract is still in force and the Annuitant is then still living, CI, on behalf of Transamerica, will pay the amount of the applicable Class Deposit Maturity Benefit to the Owner less any applicable charges or taxes, if any. Any cash payment(s) will proportionally reduce your Benefit Determination Amount.

### (2) Re-deposit

If the Owner does not request a cash payment, CI, on behalf of Transamerica will automatically re-deposit the Class Deposit Maturity Benefit.



## Class Deposit Maturity Benefit and Death Benefit Determination Amount *cont'd*

### (a) Operation of the Re-deposit

On the first Valuation Date immediately following the Class Deposit Maturity Date:

- (i) The Units of the Class Deposit Year Account that has reached the Class Deposit Maturity Date (the "Matured Deposit Year Account") will be withdrawn and the Matured Class Deposit Year Account will be closed;
- (ii) The amount to be re-deposited will be deposited in a new Class Deposit Year Account;
- (iii) The Class Deposit Maturity Benefit, excluding the Top-Up Benefit, will be re-deposited into the same Guaranteed Investment Fund unit allocations applicable to the Maturing Deposit Year Account; and
- (iv) The top-up benefit, if any, will be deposited into the CI Canadian Money Market Guaranteed Investment Fund into Units of the same class opened in the Owner's name at no fee. If the CI Canadian Money Market Guaranteed Investment Fund is not available at the time, the top-up benefit will be deposited in another Fund as determined by Transamerica or CI.

### (b) Effect of the Re-deposit

The Class Deposit Maturity Benefit that is re-deposited will constitute a new Deposit to a new Deposit Year Account except that such amounts will not be subject to any sales charges. The "old" Policy Year Account from which the re-deposited amount originates will disappear. As with the initial Deposit, this new Deposit will be used to calculate the Class Deposit Maturity Benefit and the Death Benefit for subsequent ten-year periods.

For example:

- An Owner deposits \$10,000 on June 11, 2007. This deposit is made to Deposit Year Account A: June 11, 2007 – June 10, 2008.
- The Class Deposit Maturity Date for Deposit Year Account A commencing June 11, 2007 is June 11, 2017.
- On June 11, 2017, the Owner chooses to re-deposit the Class Deposit Maturity Benefit. This deposit is made to Deposit Year Account B commencing June 11, 2017. Deposit Year Account B commencing June 11, 2017 will therefore mature on June 11, 2027.

Assuming that the Owner is living at the time of the Class Deposit Maturity Date of Deposit Year Account A, the following charts will show how the Class Deposit Maturity Benefit will be invested in an up and a down market. Chart 1 deals with the 75/100 Guarantee Option and Chart 2 addresses the 100/100 Guarantee Option.

### 100/100 Guarantee Option – Class A Units

Deposit Year Account A commencing June 11, 2007	UP MARKET	DOWN MARKET
	Deposit	\$10,000
Class Deposit Maturity Benefit	\$10,000	\$10,000
Death Benefit	\$10,000	\$10,000
Class Deposit Year Account Value in Deposit Year Account A as of June 11, 2017 (Amount re-deposited)	\$12,000	\$6,000

Deposit Year Account B commencing June 11, 2017	UP MARKET	DOWN MARKET
	Class Deposit Maturity Benefit re-deposited to Deposit Year Account B	\$12,000
Class Deposit Maturity Benefit	\$12,000	\$10,000
Death Benefit	\$12,000	\$10,000

### 75/100 Guarantee Option – Class B Units

Deposit Year Account A commencing June 11, 2007	UP MARKET	DOWN MARKET
	Deposit	\$10,000
Class Deposit Maturity Benefit	\$7,500	\$7,500
Death Benefit	\$10,000	\$10,000
Class Deposit Year Account Value in Deposit Year Account A as of June 11, 2017 (Amount re-deposited)	\$12,000	\$6,000



## Class Deposit Maturity Benefit and Death Benefit Determination Amount *cont'd*

Deposit Year Account B commencing June 11, 2017	UP MARKET	DOWN MARKET
	Class Deposit Maturity Benefit from Deposit Year Account 1 re-deposited to Deposit Year Account B	\$12,000
Class Deposit Maturity Benefit	\$9,000	\$5,625
Death Benefit	\$12,000	\$7,500

### B. Death Benefit Determination Amount

#### (a) Calculation of Death Benefit Determination Amount

On each Class Deposit Maturity Date that the policy is in force, the Death Benefit Determination Amount for Class A Units and Class B Units shall be equal to 100% of the Class Deposit Maturity Benefit in effect on such Class Deposit Maturity Date; and

The formula applicable to the calculation of the Benefit Determination Amount continues to apply for purposes of calculating the Death Benefit Determination Amount.

#### (b) Example of Re-deposit of Benefit Determination Amount for purposes of Class Deposit Maturity Benefit and Calculation of the Death Benefit Determination Amount on a Class Deposit Maturity Date

The following chart will illustrate (a) the expiry and renewal of the Class Deposit Year Account 1; and (b) the calculation of the death benefit at Class Deposit Maturity Date in up and down-markets.

#### Assumptions:

- The Owner/annuitant is age 45;
- The Owner/annuitant has chosen the 75/100 Guarantee Option
- In the years 2007 and 2008, the Benefit Determination Amount is greater than the market value. As a result resets did not impact the Death Benefit Determination Amount. The first reset occurred in May 2010;
- The Owner/annuitant has made 4 deposits into Class B units in one non-registered contract as follows:

Deposit date at time of deposit	Value of deposit	Fund
May 1, 2007	\$6,000	1
Nov. 3, 2008	\$2,000	2
Mar. 13, 2009	\$6,000	3
Apr. 1, 2010	\$3000	2

As a result the owner/annuitant has made 4 deposits in 3 Class Deposit Year Accounts, as follows:

#### Class Deposit Year Account 1

– May 1, 2007 – April 30, 2008

#### Class Deposit Year Account 2

– May 1, 2008 – April 30, 2009

#### Class Deposit Year Account 3

– May 1, 2009 – April 30, 2010

If the owner/annuitant is still living on the Class Deposit Maturity Date for Class Deposit year 1 (May 1, 2017) the Death Benefit Determination Amount will be recalculated based on the Class Deposit Maturity Benefit on that Class Deposit Maturity Date. On May 1, 2017, the Death Benefit Determination Amount will be as follows under the 2 scenarios below:

	Scenario #1: The deposit maturity benefit exceeds the current Death Benefit Determination Amount	Scenario #2: The deposit maturity benefit is lower than the current Death Benefit Determination Amount
Benefit Determination Amount	\$6,000	\$6,000
Death Benefit Determination Amount	\$9,000	\$9,000
Total market value of all units in Class Deposit Year Account 1	\$10,000	\$4,000
Class B Deposit Maturity Benefit re-deposited to new Class B Deposit Year Account at the Class Deposit Maturity Date	\$10,000	\$4,500
New Benefit* Determination	\$10,000	\$4,500
New Death Benefit Determination Amount	\$10,000	\$4,500

\* Class B Deposit Maturity Benefit is 75% of the Benefit Determination Amount less applicable withdrawals.

**RESIDENTS OF QUEBEC AND PROSPECTIVE CLIENTS APPLYING IN QUEBEC, PLEASE CONSULT THE CONTRACT MATURITY DATE SECTION BELOW.**





# Contract Maturity Benefit

## Contract Maturity Date Generally

A maturity benefit (see “Class Contract Maturity Benefit”, page 40) will be payable on the Contract Maturity Date.

The “Contract Maturity Date” is as follows:

Contract Type	Contract Maturity Date
Non-registered, RSP, RIF, LIRA, LRSP, LIF, PRIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 100 years of age,
Newfoundland LIRA and LIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 80 years of age
New Brunswick LIRA and LIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 90 years of age

As a registered contract, some of the terms of the policy will be modified by the RSP, RIF, locked-in RSP, LIRA, LIF, PRIF or LRIF endorsement, as the case may be, so that the Contract complies with the Tax Act and, if applicable, with certain pension legislation. Notwithstanding the foregoing, Contract Maturity Dates as described in the Contract and the applicable Information Folder shall remain unchanged.

A Death Benefit (see “Death Benefit”, page 44) is payable on the death of the Annuitant prior to the Contract Maturity Date.

## Contract Maturity Date After the RSP Age: RSP, LIRA, Locked-in RSP

If the Contract is issued as an RSP, LIRA or Locked-in RSP, then in order to comply with tax laws, the RSP, LIRA or Locked-in RSP, as the case may be, must be converted into a life annuity on or before December 31<sup>st</sup> of the year in which the Owner turns the RSP Age. Since the Contract Maturity Date for the Contract is deemed to fall after the maturity date required under tax laws applicable to an RSP, LIRA or Locked-in RSP, the Owner has the option of surrendering his or her entire interest in the Contract (in accordance with section 9 of the policy and as described above) and purchasing a life annuity from Transamerica in accordance with the terms of the RSP, LIRA or Locked-in RSP endorsement attached to the policy.

If the Owner does not elect to surrender his or her entire interest in the Contract in this manner, then the Contract Value determined as of the Valuation Date immediately prior to the end of the calendar year of the Owner’s RSP Age, will automatically be transferred to a RIF (or LRIF if available otherwise to a LIF) and will remain invested under and be governed by the terms of the policy.

When an application for a LIRA or Locked-in RSP is completed, Transamerica may request a spousal consent in order to facilitate such a transfer to a PRIF, LRIF or LIF.

If this automatic transfer occurs, then CI, on behalf of Transamerica, will forward to the Owner, at the last known address of the Owner shown on CI’s records, a RIF (or LRIF if available otherwise to a LIF) Application for completion by the Owner under which the Owner may make certain elections concerning the continuation of scheduled income payments to his or her spouse if such spouse survives following the Owner’s death and with respect to the determination of the minimum payment under the RIF, PRIF, LRIF or LIF, as applicable.



## Contract Maturity Benefit *cont'd*

### Class Contract Maturity Benefit

At the Contract Maturity Date, the Owner may choose an annuity from those which Transamerica is then offering for this purpose. If the Owner fails to notify us or his or her election prior to the Contract Maturity Date, the Owner will be deemed to have elected an annuity of our choice in accordance with Transamerica's administrative rules and applicable legislation. The annuity will be based on the Contract Maturity Benefit as of the Contract Maturity Date.

We will have the right to pay the Contract Maturity Benefit in one lump sum to the Owner on the Contract Maturity Date in lieu of the annuity payments in the event that the monthly annuity payments would be less than \$50.00 per month.

The Class Contract Maturity Benefit amount will be equal to the aggregate of all amounts, each of which is determined in respect of a Class Deposit Year Account, and each of which is the greater of, in the case of Class A Units:

- (a) the Class Deposit Year Account Value determined as of the Valuation Date coinciding with or immediately preceding the Contract Maturity Date, and
- (b) 100% of the Benefit Determination Amount as at the Contract Maturity Date.

(such aggregate amount being referred to as the "Class A Contract Maturity Benefit")

and in the case of Class B Units:

- (a) the Class Deposit Year Account Value determined as of the Valuation Date coinciding with or immediately preceding the Contract Maturity Date; and
- (b) 75% of the Benefit Determination Amount as at the Contract Maturity Date.

(such aggregate amount being referred to as the "Class B Contract Maturity Benefit".)

For greater certainty, and subject to a proportionate reduction for any withdrawals or surrenders made from the Contract, in no event will the Contract Maturity Benefit be less than 75% of the amounts deposited by the Owner to the Contract, without any deduction made for sales charges under the ISC method. Top-up benefits are not included in such calculation (s).

**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

Payment of any of the Class Contract Maturity Benefit described in this section will discharge Transamerica and CI from all of their obligations and liabilities under the policy and related documents.

**THIS CONTRACT MATURITY SECTION APPLIES ONLY TO RESIDENTS OF QUEBEC AND PROSPECTIVE CLIENTS APPLYING IN QUEBEC.**

### Contract Maturity Date Generally

A maturity benefit (see "Class Contract Maturity Benefit" below) will be payable on the Contract Maturity Date.

The "Contract Maturity Date" is as follows:

Contract Type	Contract Maturity Date
Non-registered, RSP, RIF, LIRA, LIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 100 years of age
Newfoundland LIRA and LIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 80 years of age
New Brunswick LIRA and LIF	December 31 <sup>st</sup> of the year in which the Annuitant turns 90 years of age

As a registered contract, some of the terms of the policy will be modified by the RSP, RIF, LIRA or LIF, endorsement, as the case may be, so that the Contract complies with the Tax Act and, if applicable, with certain pension legislation. Notwithstanding the foregoing, Contract Maturity Dates as described in the Contract and the applicable Information Folder shall remain unchanged.

A Death Benefit (see "Death Benefit", page 44) is payable on the death of the Annuitant prior to the Contract Maturity Date.

### Class Contract Maturity Benefit

On the Contract Maturity Date, provided that the Contract is still in force and the Annuitant is then still living, we will apply the Contract Maturity Benefit to determine your annuity benefit as specified below. For a description of how annuity payments are determined, see the section entitled Calculation of Annual Annuity Payments, page 42.

The Class A Contract Maturity Benefit or Class B Contract Maturity Benefit will be equal to the aggregate of all amounts, each of which is determined in respect of a Class Deposit Year Account, and each of which is the greater of, in the case of Class A Units:



## Contract Maturity Benefit *cont'd*

- (a) the Class Deposit Year Account Value determined as of the Valuation Date coinciding with or immediately preceding the Contract Maturity Date, and
- (b) 100% of the Benefit Determination Amount as at the Contract Maturity Date.

(such aggregate amount being referred to as the "Class A Contract Maturity Benefit")

and in the case of Class B Units:

- (a) the Class Deposit Year Account Value determined as of the Valuation Date coinciding with or immediately preceding the Contract Maturity Date; and
- (b) 75% of the Benefit Determination Amount as at the Contract Maturity Date.

(such aggregate amount being referred to as the "Class B Contract Maturity Benefit".)

For greater certainty, and subject to a proportionate reduction for any withdrawals or surrenders made from the Contract, in no event will the Contract Maturity Benefit be less than 75% of the amounts deposited by the Owner to the Contract, without any deduction made for sales charges under the ISC method. Top- up benefits are not included in such calculation (s).

**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

### Non-Registered Contract

For a non-registered Contract, we will pay you an annuity on the life of the Owner or on the life of the Owner and another life as the Owner may designate. The annuity will be based on the Class A Contract Maturity Benefit or Class B Contract Maturity Benefit. For a description of how annuity payments are determined, see the section entitled Calculation of Annual Annuity Payments, page 42.

### Contract Registered as an RSP or LIRA

If the Contract is registered as an RSP or LIRA, it will automatically be converted into a RIF or LIF on or before December 31st of the year in which the Owner turns the RSP Age in accordance with the terms of the RSP or LIRA endorsement. If the Owner requests that the RSP or LIRA should not be converted as described above, Transamerica will pay you an annuity that complies with tax and pension laws. For a description of how annuity payments are determined, see the section entitled Calculation of Annual Annuity Payments, page 42.

### Automatic Conversion from an RSP or LIRA to a RIF or LIF

To process the automatic conversion, the Contract Value determined on the earlier of the first Valuation Date instructions are received by CI and as of the Valuation Date prior to the end of the calendar year of the Owner's RSP Age , will automatically be transferred to a LIF or RIF and will remain invested under and be governed by the terms of the Contract.

When an application for a LIRA is completed, Transamerica may request spousal consent in order to facilitate such a transfer to a LIF.

When the automatic conversion occurs, then CI, on behalf of Transamerica, will forward to the Owner, at the last known address of the Owner shown on CI's records, a RIF or LIF application for completion by the Owner under which the Owner may make certain elections concerning the continuation of scheduled income payments to his or her spouse if such spouse survives the Owner and with respect to the determination of the minimum payment under the RIF or LIF, as applicable.

### Payment of an Annuity

If you notify us that the automatic conversion from the RSP or LIRA to a RIF or LIF should not be applied to your Contract, Transamerica will pay you an annuity based on the Contract Value determined on the earlier of the first Valuation Date instructions are received by CI and as of Valuation Date prior to the end of the calendar year in which you attain the RSP Age . The annuity paid has to comply with the RSP or LIRA endorsement. For a description of how annuity payments are determined, see the section entitled Calculation of Annual Annuity Payments, page 42.

### Contract Registered as a RIF or LIF

If the Contract is a RIF or LIF, on the Contract Maturity Date, provided that the Contract is still in force and the Annuitant is then still living, Transamerica will pay the Owner an annuity based on the Class A Contract Maturity Benefit or Class B Contract Maturity Benefit in accordance with the terms of the RIF or LIF endorsements. For a description of how annuity payments are determined, see the section entitled Calculation of Annual Annuity Payments, page 42.



## Contract Maturity Benefit *cont'd*

### Calculation of Annual Annuity Payments

Unless prohibited by law, Transamerica will pay the Owner a then available Transamerica life annuity with a maximum guarantee period of ten years on the Owner's life or if a joint life annuity is chosen, on the Owner's life and another life as the Owner may designate. The annuity will be based on the Class A Contract Maturity Benefit or Class B Contract Maturity Benefit at Contract Maturity Date. If the Owner does not select an annuity, the annuity provided will be a single life annuity, based on the Owner's life with a ten year guarantee period or if required by law, a joint life annuity.

In the case of an RSP or LIRA the annuity will be based on the Contract Value at the RSP Age in accordance with the terms of the RSP or LIRA endorsement.

Transamerica will calculate the annuity payable to the Owner based on its then current projected annuity factors applicable to the type and terms of the annuity chosen. Notwithstanding the foregoing, the annual annuity payment for each \$1,000 being annuitized with a maximum guarantee period of ten years or less shall not be lower than the amount set out in Table 1 for the applicable age on which the annuity is based. The applicable age on which the annuity is based is the age of the annuitant in the case of a single life annuity or the age of the younger of the two annuitants in the case of a joint life annuity.

**TABLE 1**

Annual Annuity Payment by Age of Youngest Life Per \$1,000

Age	Annuity Payment	Age	Annuity Payment	Age	Annuity Payment	Age	Annuity Payment	Age	Annuity Payment
15	<b>10.01</b>	35	<b>12.51</b>	55	<b>16.67</b>	75	<b>25.01</b>	95	<b>50.01</b>
16	<b>10.11</b>	36	<b>12.66</b>	56	<b>16.95</b>	76	<b>25.65</b>	96	<b>52.64</b>
17	<b>10.21</b>	37	<b>12.83</b>	57	<b>17.25</b>	77	<b>26.32</b>	97	<b>55.56</b>
18	<b>10.31</b>	38	<b>12.99</b>	58	<b>17.55</b>	78	<b>27.03</b>	98	<b>58.83</b>
19	<b>10.42</b>	39	<b>13.16</b>	59	<b>17.86</b>	79	<b>27.78</b>	99	<b>62.51</b>
20	<b>10.53</b>	40	<b>13.34</b>	60	<b>18.19</b>	80	<b>28.58</b>	100	<b>66.67</b>
21	<b>10.64</b>	41	<b>13.52</b>	61	<b>18.52</b>	81	<b>29.42</b>	101	<b>66.67</b>
22	<b>10.76</b>	42	<b>13.70</b>	62	<b>18.87</b>	82	<b>30.31</b>	102	<b>66.67</b>
23	<b>10.87</b>	43	<b>13.89</b>	63	<b>19.24</b>	83	<b>31.26</b>	103	<b>66.67</b>
24	<b>10.99</b>	44	<b>14.09</b>	64	<b>19.61</b>	84	<b>32.26</b>	104	<b>66.67</b>
25	<b>11.12</b>	45	<b>14.29</b>	65	<b>20.01</b>	85	<b>33.34</b>	105	<b>66.67</b>
26	<b>11.24</b>	46	<b>14.50</b>	66	<b>20.41</b>	86	<b>34.49</b>	106	<b>66.67</b>
27	<b>11.37</b>	47	<b>14.71</b>	67	<b>20.84</b>	87	<b>35.72</b>	107	<b>66.67</b>
28	<b>11.50</b>	48	<b>14.93</b>	68	<b>21.28</b>	88	<b>37.04</b>	108	<b>66.67</b>
29	<b>11.63</b>	49	<b>15.16</b>	69	<b>21.74</b>	89	<b>38.47</b>	109	<b>66.67</b>
30	<b>11.77</b>	50	<b>15.39</b>	70	<b>22.23</b>	90	<b>40.01</b>	110	<b>66.67</b>
31	<b>11.91</b>	51	<b>15.63</b>	71	<b>22.73</b>	91	<b>41.67</b>	111	<b>66.67</b>
32	<b>12.05</b>	52	<b>15.88</b>	72	<b>23.26</b>	92	<b>43.48</b>	112	<b>66.67</b>
33	<b>12.20</b>	53	<b>16.13</b>	73	<b>23.81</b>	93	<b>45.46</b>	113	<b>66.67</b>
34	<b>12.35</b>	54	<b>16.40</b>	74	<b>24.40</b>	94	<b>47.62</b>	114	<b>66.67</b>

**Note:** Age refers to the age of the youngest life covered by the annuity. Ages 100 and older are assigned the same payment



## Contract Maturity Benefit *cont'd*

### APPLICATION OF TABLE 1

Table 1 sets out the minimum annual annuity payable per \$1,000 being annuitized. The minimum annual annuity payable is calculated as follows:

$$\frac{\text{Annuitized Amount} \times \text{Amount in Table 1}}{1000}$$

### **Example of Minimum Annual Annuity Payments Using Table**

To illustrate how to calculate the minimum annual annuity payments using Table 1, consider the following example:

Assumptions:

- The Contract is not registered.
- Mr. Jones is both the Owner and the Annuitant.
- Mr. Jones holds Class A Units
- Mr. Jones turned 100 on December 24, 2007.
- The Contract Maturity Date is December 31, 2007.
- On the Contract Maturity Date, Mr. Jones is still alive.
- On the Contract Maturity Date, the Class A Contract Maturity Benefit is \$100,000
- As an alternative to the default annuity to be provided under this Contract, Mr. Jones requested an annual joint life annuity based on his life and the life of his spouse, who is 90 years old.
- The amount to be annuitized is based on the Class A Contract Maturity Benefit of \$100,000.
- The applicable age is the younger age of the two annuitants. In this case, the wife who is 90.
- Base on Table 1, the annual annuity payment per \$1,000 for age 90 = \$40.01
- Therefore the Minimum Annual Annuity Payment = \$4,001
- $\frac{100,000}{1000} \times 40.01$

### Payment of the Annuity

If you have chosen to receive an annuity with periodic payments more frequently than annually, we reserve the right to make the payments annually if each more frequent payment would be less than \$50 per payment.

Payment of the annuity fulfils our obligations under the contract in full.



# Death Benefit

If the Annuitant dies prior to the Contract Maturity Date and if the Annuitant has elected a successor annuitant on the application, then CI, on behalf of Transamerica, will following receipt of proof satisfactory to it of the Annuitant's death, continue paying any remaining scheduled payments to the successor annuitant, if living.

For non-registered contracts, you may designate a successor annuitant who will become the Annuitant upon the Annuitant's death. In this case, your contract will continue and no death benefit is payable until the death of the successor annuitant.

If there is no such Successor Annuitant, or if such Successor Annuitant dies before the Annuitant, then CI on behalf of Transamerica, will following receipt of proof satisfactory to it of the Annuitant's death and the claimant's right to the proceeds in accordance with Transamerica's then current administrative procedures, pay the Death Benefit to the person entitled thereto. Such death benefit will be equal to the aggregate of all amounts, each of which is determined in respect of each Class Deposit Year Account of each Class, and each of which is the greater of:

- (a) the amount by which the Class Deposit Year Account Value determined as of the Death Benefit Date exceeds all early surrender fees that would otherwise be applicable on a full surrender of such Class Deposit Year Account at such time, and
- (b) 100% of the Death Benefit Determination Amount as at the Death Benefit Date,

adjusted for payments which may have been made by CI, on behalf of Transamerica, between the date of the death of the Annuitant and the date CI, on behalf of Transamerica, received notice of such death (such aggregate amount after adjustments, if any, being referred to as the "Death Benefit").

The person entitled to payment may choose to take such death benefit in cash or may choose one of the optional methods of settlement which Transamerica is then offering for that purpose.

**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

Effective on the Death Benefit Date, CI, on behalf of Transamerica, will surrender all of the Units to the Contract's credit in all of the Funds, and the amount of the Death Benefit will be held by CI, on behalf of Transamerica, on behalf of the person entitled thereto until paid. The number of Units to the Contract's credit will be reduced to zero.

CI, on behalf of Transamerica, will also pay to the person entitled thereto interest on the Death Benefit from the Death Benefit Date to the date of payment. The rate of interest credited will be in accordance with Transamerica's then current administrative rules set for this purpose.

If the Contract is issued as an RSP, LIRA, Locked-in RSP, RIF, LRIF, PRIF or LIF, then additional requirements apply concerning the payment of a Death Benefit. In brief, if the Contract is issued as an RSP and the Owner dies before the Contract Maturity Date, then the Death Benefit will be paid in one sum to the Owner's Beneficiary following receipt by CI, on behalf of Transamerica, of the documentation described in the Contract, unless a "refund of premiums", as defined in the *Income Tax Act* (Canada), has been requested.

If the Contract is issued as a RIF and the Owner has designated his or her spouse as successor annuitant, then the periodic payments permitted under the *Income Tax Act* (Canada) will continue to the surviving spouse. The Death Benefit will be paid in accordance with the Contract following receipt by CI of all required documentation upon the death of the surviving spouse/successor annuitant.

If the Contract is issued as a LIRA, Locked-in RSP, LRIF, PRIF or LIF and the Owner dies before the Contract Maturity Date, the death benefit must comply with tax and applicable pension benefits legislation which generally requires the payment of the Death Benefit to the Owner's surviving Spouse. The requirements under pension benefits legislation vary to a certain extent among provinces (and for federally regulated employers) and, therefore, the Owner should carefully review the applicable endorsement to the Contract.

Payment of the Death Benefit with credited interest will discharge Transamerica and CI from all of their obligations and liabilities under the policy and all related documents.



# Reset of Death Benefit Determination Amount

Subject to the following reset rules, Transamerica will automatically reset your Death Benefit Determination Amount for purposes of calculating your Death Benefit (the "Death Benefit Determination Amount") on each anniversary of the Contract Date (the "Reset Date"). Transamerica may discontinue, modify or suspend the reset of the Death Benefit Determination Amount at any time by giving you prior written notice of at least 60 days.

## Reset of Death Benefit Determination Amount

### (a) Reset Rules

- (i) The Reset of the Death Benefit Determination Amount will take place automatically if on the Reset Date:
  - the Annuitant has not reached his or her 81st birthday on the anniversary of the Contract Date;
  - the Annuitant is alive; and
  - the Contract is in force.
- (ii) The Reset of your Death Benefit Determination Amount will not change the Class Deposit Maturity Date or the Contract Maturity Date. However, when a Class Deposit Year Account matures and is paid out or re-deposited into a new Class Deposit Year Account, the Death Benefit Determination Amount associated with the Maturing Class Deposit Year Account will expire.

### (b) Reset of the Death Benefit Determination Amount for Class A and Class B Units::

For Class A and Class B Units, the new Death Benefit Determination Amount on a Reset Date will be equal to the greater of:

- (i) the 100% Benefit Determination Amount of such Class Deposit Year at such Reset Date;
- (ii) the Death Benefit Determination Amount of such Class Deposit Year at such Reset Date;
- (iii) the Class Deposit Year Account Value in respect of such Class Deposit Year at the Death Benefit Date.

The Death Benefit Determination Amount for Class A Units and Class B Units shall be equal to 100% of the Class Deposit Maturity Benefit in effect on such Class Deposit Maturity Date. For additional information, see "Cashing or Re-depositing the Class Deposit Maturity Benefit" on page 36 for a description of a re-deposit of the Class Deposit Maturity Benefit and the Death Benefit.

### (c) Example of Reset of Death Benefit Determination Amount

Assumptions:

- The Owner/annuitant is age 45;
- The Owner/Annuitant has chosen the 75/100 Guarantee Option
- In the years 2007 and 2008, the Benefit Determination Amount is greater than the market value. As a result no resets were processed. The first reset occurred in May 2009;
- The Owner/Annuitant has made 4 deposits into Class B units in one non-registered contract as follows:

Deposit date	Value of deposit at time of deposit	Fund
May 1, 2007	\$6,000	1
Nov. 3, 2008	\$2,000	2
Mar. 13, 2009	\$6,000	3
Apr. 1, 2010	\$3,000	2



## Reset of Death Benefit Determination Amount *cont'd*

As a result the owner/annuitant has made 4 deposits in 3 Class Deposit Year Accounts, as follows:

### ***Class Deposit Year Account 3***

May 1, 2009 – April 30, 2010

### ***Class Deposit Year Account 1***

May 1, 2007 – April 30, 2008

On May 1, 2010, the Reset Date, the Death Benefit is automatically reset.

### ***Class Deposit Year Account 2***

May 1, 2008 – April 30, 2009

Class B Deposit Year	Maturity Benefit Determination Amount	Death Benefit Determination Amount	Closing Market value as of the annual reset date (May 1, 2010)	New Maturity Benefit Determination Amount (Not changed by the reset of the death benefit determination amount)	New Death Benefit Determination Amount (after automatic reset of the death benefit determination amount)
<b>Class B Deposit Year 1</b> May 1, 2007 - April 30, 2008	\$6,000	\$6,000	\$9,000	\$6,000	\$9,000
<b>Class B Deposit Year 2</b> May 1, 2008 - April 30, 2009	\$8,000	\$8,000	\$4,000	\$8,000	\$8,000
<b>Class B Deposit Year 3</b> May 1, 2009 - April 30, 2010	\$3,000	\$3,000	\$5,000	\$3,000	\$5,000





# Change of Guarantee Option

The Owner may decide that he or she prefers the lower cost of the 75/100 Guarantee Option. The Owner may reclassify all or part of his or her allocation in a Fund from Class A Units to Class B Units. Reclassification from Class B Units to Class A Units is not permitted.

For the reclassification from Class A Units to Class B Units, the following will apply:

## Reclassification from Class A Units to Class B Units

- The Owner may at any time and from time to time before the Contract Maturity Date request a change from the 100/100 Guarantee Option applicable to all or part of his or her allocation in one or more Funds to the 75/100 Guarantee Option by reclassifying all or any part of his or her Class A Units as Class B Units.
- Units reclassified from a particular Class A Fund Class are deemed to be withdrawn from that Fund Class on a first-in-first-out basis.
- If all of the Units from a particular Class A Deposit Year Account have been reclassified, such Account will have its balances set at zero and be closed.
- If a portion of the Units from a particular Class A Deposit Year Account have been reclassified, the Benefit Determination Amount with respect to such Account will be proportionally reduced based on the market value of the Units reclassified relative to the aggregate market value of all the Units in the Account immediately prior to the reclassification, in the same manner as if such Units had been withdrawn.
- If there is no Class B Deposit Year Account in effect at the time of the reclassification, a new Class B Deposit Year will commence with the Initial Class B Deposit Date being the effective date of the reclassification. The Deposit Maturity Date applicable to such reclassified Units will be the tenth anniversary of the effective date of the reclassification, rather than the Deposit Maturity Date applicable to the Units prior to

reclassification. The Benefit Determination Amount with respect to such Class B Deposit Year Account will be an amount equal to the reduction in the Class A Benefit Determination Amount(s). The Class Deposit Year Account Value of the new Class B Deposit Year Account on the Initial Class B Deposit Date will be equal to the aggregate market value of the reclassified Units immediately prior to reclassification.

- If there is a Class B Deposit Year Account in effect at the time of the reclassification, the reclassified Units will be allocated to the current Class B Deposit Year Account in effect. The Deposit Maturity Date applicable to the reclassified Units will be the same as the Deposit Maturity Date for all other Deposits made to such current Class B Deposit Year Account rather than the Deposit Maturity Date applicable to the Units prior to reclassification. The Benefit Determination Amount with respect to such Class B Deposit Year Account will be increased by an amount equal to the reduction in the Class A Benefit Determination Amount(s). The Class Deposit Year Account Value of such Class B Deposit Year Account will be increased by the aggregate market value of the reclassified Units immediately prior to reclassification.

**IT IS IMPORTANT TO NOTE THAT A RECLASSIFICATION IS NOT APPROPRIATE IN ALL CIRCUMSTANCES. PLEASE CONSULT YOUR FINANCIAL ADVISOR TO DETERMINE IF THE RECLASSIFICATION OF CLASS A UNITS AS CLASS B UNITS IS SUITABLE TO YOUR PARTICULAR CIRCUMSTANCES.**

**ALTHOUGH FEES FOR CLASS B UNITS MAY BE LOWER THAN FOR CLASS A UNITS, YOU SHOULD DETERMINE THE LENGTH OF TIME YOUR CLASS A UNITS HAVE UNTIL THEIR DEPOSIT MATURITY DATE BECAUSE A RECLASSIFICATION EXTENDS THE DEPOSIT MATURITY DATE TO 10 YEARS FROM THE EFFECTIVE DATE OF THE RECLASSIFICATION. THE RECLASSIFICATION ALSO AFFECTS THE CONTRACT MATURITY BENEFIT AND DEPOSIT MATURITY BENEFIT IN EFFECT BEFORE THE RECLASSIFICATION.**



## Change of Guarantee Option *cont'd*

### Examples – Up Market

To illustrate how a reclassification of Class A Units as Class B Units works, assume the following:

- (a) on January 2, 2007, a Deposit of \$75,000.00 was allocated to acquire 3,000 Class A Units of the CI Signature Canadian Balanced Guaranteed Investment Fund (the “CI Signature Canadian Balanced GIF”) and it was the first Deposit allocated to a Class A Deposit Year Account;
- (b) on October 1, 2009, at which time the 3,000 Class A Units had a market value of \$80,000.00, the Owner reclassified 1,500 Class A Units as Class B Units;
- (c) on April 1, 2012, a Deposit of \$120,000.00 was allocated to acquire 4,000 Class A Units of the CI Signature Canadian Balanced GIF and it was the second Deposit allocated to a Class A Deposit Year Account;
- (d) on September 1, 2013, the Owner reclassified 2,500 Class A Units of the CI Signature Canadian Balanced GIF to Class B Units of such Fund at which time the Net Asset Value per Class A Unit was \$33.00; and
- (e) there were no other Deposits, withdrawals, transfers, resets or changes.

The reclassification on October 1, 2009 will be governed by the rules applicable to the reclassification of Class A Units as Class B Units. As a result:

- On October 1, 2009, a Class B Deposit Year Account will be established with an Initial Class Deposit Date of October 1, 2009;
- The Benefit Determination Amount of the January 2, 2007 Class A Deposit Year Account will be reduced by \$37,500.00 ( $75,000 \times \$40,000 \div \$80,000$ );
- The Benefit Determination Amount of the October 1, 2009 Class B Deposit Year Account will be established at \$37,500.00;
- The Deposit Maturity Date for the October 1, 2009 Class B Deposit Year Account will be October 1, 2019; and
- The market value of the October 1, 2009 Class B Deposit Year Account will be \$40,000.00.

The reclassification on September 1, 2015 will also be governed by the rules applicable to the reclassification of Class A Units as Class B Units. As a result:

- Of the 2,500 Class A Units being reclassified, 1,500 Units will be deemed, due to the operation of the first-in-first-out principle, to have been reclassified from the January 2, 2007 Class A Deposit Year Account and 1,000 Units will be deemed to have been reclassified from the January 2, 2012 Class A Deposit Year Account;
- The Benefit Determination Amount for the January 2, 2007 Class A Deposit Year Account is reduced by a further \$37,500 ( $\$37,500 \times \$49,500 \div \$49,500$ ) and is accordingly set at zero;
- The Benefit Determination Amount for the January 2, 2012 Class A Deposit Year Account is reduced by \$30,000.00 ( $\$120,000.00 \times \$33,000.00 \div \$132,000.00$ );
- The Benefit Determination Amount for the October 1, 2012 Class B Deposit Year Account is increased by \$67,500.00 (the total amount by which the Class A Benefit Determination Amounts were reduced);
- The market value of the October 1, 2012 Class B Deposit Year Account will be increased by \$82,500.00; and
- The new Deposit Maturity Date for all of the 2,500 reclassified Units will be October 1, 2022.



## Change of Guarantee Option *cont'd*

### Examples – Down Market

To illustrate how a change from Class A Units to Class B Units works, assume the following:

- (f) on January 2, 2007 a Deposit of \$75,000.00 was allocated to acquire 3,000 Class A Units of the CI Signature Canadian Balanced Guaranteed Investment Fund (the “CI Signature Canadian Balanced GIF”) and it was the first Deposit allocated to a Class A Deposit Year Account;
- (g) on October 1, 2007, at which time the 3,000 Class A Units had a market value of \$60,000.00, the Owner reclassified 1,500 Class A Units as Class B Units;
- (h) on April 1, 2010 a Deposit of \$133,000.00 was allocated to acquire 7,000 Class A Units of the CI Signature Canadian Balanced GIF and it was the second Deposit allocated to a Class A Deposit Year Account;
- (i) on September 1, 2011 the Owner reclassified 2,500 Class A Units of the CI Signature Canadian Balanced GIF to Class B Units of such Fund at which time the Net Asset Value per Class A Unit was \$18.00; and
- (j) there were no other Deposits, withdrawals, transfers, resets or changes.

The reclassification on October 1, 2007 will be governed by the rules applicable to the reclassification of Class A Units as Class B Units. As a result:

- On October 1, 2007, a Class B Deposit Year Account will be established with an Initial Class Deposit Date of October 1, 2007;
- The Benefit Determination Amount of the January 2, 2007 Class A Deposit Year Account will be reduced by \$37,500.00 ( $75,000 \times \$30,000 \div \$60,000$ ).
- The Benefit Determination Amount of the October 1, 2007 Class B Deposit Year Account will be established at \$37,500.00; and
- The Deposit Maturity Date for the October 1, 2007 Class B Deposit Year Account will be October 1, 2017.
- The Market Value of the October 1, 2007 Class B Deposit Year Account will be \$30,000.00

The reclassification on September 1, 2011 will be governed by the rules applicable to the reclassification of Class A Units as Class B Units. As a result:

- Of the 2,500 Class A Units being reclassified 1,500 Units will be deemed, due to the operation of the first-in-first-out principle, to have been reclassified from the January 2, 2007 Class A Deposit Year Account and 1,000 Units will be deemed to have been reclassified from the January 2, 2010 Class A Deposit Year Account;
- The Benefit Determination Amount for the January 2, 2007 Class A Deposit Year Account is reduced by a further \$37,500 ( $\$37,500 \times \$27,000 \div \$27,000$ ) and is accordingly set at zero;
- The Benefit Determination Amount for the January 2, 2010 Class A Deposit Year Account is reduced by \$18,999.99 ( $\$133,000.00 \times \$18,000 \div \$126,000.00$ );
- The Benefit Determination Amount for the October 1, 2010 Class B Deposit Year Account is increased by \$56,499.99 (the total amount by which the Class A Benefit Determination Amounts were reduced)
- The Market Value of the October 1, 2010 Class B Deposit Year Account will be increased by \$45,000.00
- The new Deposit Maturity Date for all of the 2,500 reclassified Units will be October 1, 2020.



## Change of Guarantee Option *cont'd*

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### **General**

If the reclassification request is received in good order by CI, on behalf of Transamerica, at or prior to 4:00 p.m. (Eastern time) on a Valuation Date, then the value of the Units reclassified from a Fund Class to effect such a reclassification will be based on the Unit Value of that Fund Class in effect on such date (such date being the effective date of that reclassification). If the reclassification request is received in good order by CI, on behalf of Transamerica, after that time, then the value of the Units reclassified from a Fund Class will be based on the Unit Value of that Fund Class in effect on the next Valuation Date (such date being the effective date of that reclassification). The Benefit Determination Amount applicable to reclassified Units will also be determined as of the effective date of

the reclassification. Transamerica's current administrative rules provide, among other things, that a reclassification request must be in writing, be accompanied by all such information as Transamerica may from time to time require, and be sent to CI, on behalf of Transamerica, who has the authority to receive and accept or reject (or postpone acceptance of) the request. Incomplete information will result in either the rejection of a request or the postponement of its acceptance.

If as a result of a reclassification there are no Units in a Class remaining allocated to the Owner's Contract, the next deposit to such Class will commence an Initial Class Deposit Year for that Class.



# Fund Management

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The management of the Funds is the responsibility of Transamerica, the management of which is carried out under the overall authority of its Board of Directors. Responsibility for Transamerica's day-to-day operations is delegated to the President and Chief Executive Officer.

All cash and securities within each Fund portfolio are held and recorded in the name of Transamerica.

## **The Day-to-Day Management of the Funds and the Underlying Funds**

Transamerica has appointed CI as the manager of the Funds. CI is a corporation controlled by CI Financial Income Fund. The head office of CI is located at 2 Queen Street East, Twentieth Floor, Toronto, Ontario M5C 3G7. Currently, CI manages in excess of \$65 billion in mutual funds and segregated funds for over 2 million investors.

CI, as the manager of the Funds on behalf of Transamerica, is responsible for the day-to-day management of the Funds and the Underlying Funds and for providing the general management, marketing, financing and administrative services that the Funds and the Underlying Funds require. These duties are performed pursuant to an agreement between CI and Transamerica.

**In its capacity as manager of the Funds, CI will, on behalf of Transamerica, establish and maintain contact with Owners and be the primary contact on all matters for Owners with respect to Contracts.**

## Portfolio Advisors

CI has, in general, exclusive relationships in Canada with a number of portfolio advisors. In connection with certain of the Underlying Funds, CI provides or has engaged Trilogy Global Advisors, LLC, Tetrem Capital Management Ltd., Epoch Investment Partners, Inc., and Altrinsic Global Advisors, LLC, KBSH Capital Management Inc., and Synergy Asset Management – to assist with managing and providing investment advice.

CI is responsible for the advice given by the portfolio advisers of the Underlying Funds. There may be difficulty in enforcing any legal rights against Trilogy Global Advisors, LLC, Epoch Investment Partners Inc., and Altrinsic Global Advisors, LLC because they are resident outside Canada and all or a substantial portion of their assets are situated outside Canada.



## Fund Management *cont'd*

Portfolio Advisers	Description
<p><b>CI Investments Inc.</b>            CI Place            2 Queen Street East,            Twentieth Floor            Toronto, Ontario            M5C 3G7</p>	<p>CI's in-house Toronto-based portfolio management is organized into two teams that operate independently of one another. Harbour Advisors is led by Gerald Coleman, who has more than 30 years of experience in managing investment portfolios and has worked at CI since 1997.</p> <p>Signature Advisors is led by Chief Investment Officer Eric Bushell, CFA, who has more than seven years of experience in the investment industry.</p> <p>James Dutkiewicz, Vice-President and Portfolio Manager with Signature Advisors of CI Investments Inc., has 11 years of experience in analyzing and trading bonds.</p>
<p><b>Tetrem Capital Management Ltd.</b>            1508-201 Portage Avenue,            Winnipeg, Alberta            R3B 3K6</p>	<p>Tetrem Capital Management Ltd. is an independent investment management firm based in Winnipeg, Manitoba and founded by Portfolio Manager Daniel Bubis and his associates. Mr. Bubis is known for his outstanding results as portfolio manager of United Financial Corporation's Canadian Equity Value Pool, which he has managed since it adopted its current mandate in March 1993. He has achieved strong results in both rising and declining markets. Tetrem also manages Canadian and U.S. mandates for other institutional and private clients. Tetrem, which manages over \$8 billion in assets, follows a value-based, contrarian investment approach.</p>
<p><b>Epoch Investment Partners, Inc.</b>            640 Fifth Avenue, 18th Floor            New York, New York            U.S.A. 10019</p>	<p>William Priest, Chief Investment Officer, Chief Executive Officer and co-founder of Epoch Investment Partners Inc., has more than 35 years of Wall Street experience. Before founding Epoch, Mr. Priest was Senior Partner and Portfolio Manager at Steinberg Priest Capital Management, LLC, which he joined in 2001.</p>
<p><b>Trilogy Global Advisors, LLC</b>            1114 Avenue of the Americas, 28th Floor            New York, New York            U.S.A. 10036</p>	<p>Trilogy Global Advisors, LLC is a New York-based investment firm that manages global equity, balanced and income-oriented portfolios. The team of 17 investment professionals led by Chief Investment Officer William Sterling and Portfolio Managers Robert Beckwitt and Greg Gigliotti, manages over \$4.6 billion on behalf of CI Investments.</p>
<p><b>Altrinsic Global Advisors, LLC</b>            100 First Stamford Place            6th Floor-East            Stamford, Connecticut            U.S.A. 06902</p>	<p>John Hock, Chief Investment Officer of Altrinsic Global Advisors, LLC, founded the firm in 2000 after working as Senior Vice-President and Portfolio Manager at a leading global investment firm, where he managed institutional and mutual fund portfolios. His 13 years of investment industry experience also includes the position of Vice-President and Senior Analyst at the Global Securities Research and Economics Group of Merrill Lynch.</p>
<p><b>Synergy Asset Management</b>            151 Yonge Street            Toronto, Ontario            M5C 2W7</p>	<p>Synergy Asset Management is led by David Picton and Michael Mahoney and manages more than \$2 billion in assets. The Toronto-based firm is known for its successful application of quantitative analysis to investing.</p>
<p><b>KBSH Capital Management Inc.</b>            One Toronto Street            Suite 700            Toronto, Ontario            M5C 2V6</p>	<p>KBSH Capital Management Inc., founded in 1980 as Knight, Bain, Seath &amp; Holbrook, is one of Canada's most established and highly regarded investment managers, with over 25 years of success managing both growth equity and income portfolios and with over \$3 billion in assets under management. KBSH is committed to providing superior investment management solutions and consistent long-term performance, through a disciplined and consistent investment process, centered on fundamental bottom-up security selection.</p>



# The Custodian and the Auditors

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Transamerica has appointed RBC Dexia Investor Services Trust (the “Custodian”), a federally chartered trust company which carries on the business of providing custodian services, as the custodian of the cash and securities making up the investment portfolio of each of the Funds. CI has appointed the Custodian as the custodian of the Underlying Funds. The principal place of business of the Custodian is Royal Trust Tower, 77 King Street West, Toronto, Ontario M5W 1P9.

All securities acquired by the Funds and the Underlying Funds are held by the Custodian or its nominee at various worldwide locations on behalf of the Funds.

Transamerica has appointed Ernst & Young LLP as auditors of the Funds. The principal address of Ernst & Young LLP is 222 Bay Street, Toronto, Ontario M5K 1J7.



# Investor Services

## Registered Plans

An Owner may open a registered retirement savings plan (RRSP) or a retirement income fund (RRIF), or, depending on the applicable provincial jurisdiction, a locked-in retirement savings plan (Locked-in RSP), locked-in retirement account (LIRA), locked-in retirement income fund (LRIF), Prescribed Registered Income Fund (PRIF) or a life income fund (LIF) (collectively called "Registered Plans") for the purpose of making Deposits to certain of the Funds. (See "Summary Description of the Contract", page 8, and "Tax Status of The Owner", page 55.) The terms and conditions of these Registered Plans are contained in the Application and in the applicable Endorsement. No fee is charged for setting up Registered Plans. Registered Plans are one of a number of different vehicles for the accumulation of retirement income. A Registered Plan may be more suitable for longer duration investments than for shorter duration investments. Please note that certain restrictions apply to Registered Plans - see the applicable endorsement to the policy for details.

If the Owner is an employee participating as a member of an employer sponsored group retirement savings plan or other employer capital accumulation plan, then although the inclusion of the Funds on the list of available investment opportunities may have been the employer's decision, the employer will generally disclaim any responsibility with respect to the performance of the Funds and will not monitor the performance of the Funds on an ongoing basis. The decision to make Deposits under the Contract and to retain the investment or to surrender Units is the Owner's alone. There may be other investment alternatives available and the Owner should judge each investment alternative on its merits. The Owner may wish to discuss all investment alternatives with an independent investment adviser.

**Each Owner is urged to consult his or her own tax advisor for full particulars of the tax implications of establishing, amending and terminating Registered Plans under the *Income Tax Act (Canada)* and the applicable provincial tax legislation. It is the Owner's responsibility as an investor in a Registered Plan to determine the consequences to the Owner or other contributor under relevant income tax legislation,**

**and neither Transamerica nor any of its representatives assumes any liability to the Owner or other contributor as a result of making the Registered Plans available.**

## Pre-authorized Chequing (PAC) Plan

Transamerica's pre-authorized chequing (PAC) plan may be used to make Deposits to the Contract on a regular basis - either monthly, quarterly, semi-annually or annually - at the Applicable Unit Value on the effective date of Deposit. The sales charge options - the Initial Sales Charge Method and the Deferred Sales Charge Method - remain applicable to Deposits made pursuant to the PAC plan. Transamerica reserves the right to change or discontinue this plan at any time.

## Automatic Surrender (Withdrawal) Plan

Subject to Transamerica's then current administrative rules, charges and fees and subject to any applicable legislative or regulatory requirements including those applicable where the policy is issued as a LIRA, Locked-in RSP, LRIF, PRIF or LIF, the Owner may establish an automatic surrender plan to surrender Units of a Fund. Under this plan, the Owner selects the surrender amount and the Funds from which the surrender is to be made. Any request to effect a surrender pursuant to this plan must be in writing. The Owner may direct that the payment be made by cheque or by direct deposit to the Owner's bank account. Although a surrender charge may apply if the Owner surrenders DSC Units, no administration fee is charged for this service. (See "Surrenders", page 27.)

Any automatic surrender plan established under this provision is subject to the 10% free surrender privilege. (See "10% Free Surrender", page 30.)

**Surrenders that are in excess of the net capital appreciation under the Contract will eventually deplete or exhaust the premium.**





## Investor Services *cont'd*

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**Any amount that is allocated to a segregated fund is invested at the risk of the Owner and may increase or decrease in value.**

### Transfer Privilege

Subject to the section of this folder entitled "Transfers and Fund Availability", the Owner may request in writing a cancellation of some or all of the Units to the Contract's credit in one or more Funds, and the allocation of the value of such Units to Units in another Fund or Funds then available.

DSC Units allocated on a transfer will continue to be subject to a surrender charge at the same rates based on the effective date of Deposit applicable to the original DSC Units. (See "Transfers and Fund Availability", page 26.)

## Tax Status of the Owner

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### Contracts Issued as Registered Plans

In general, if the Contract is issued as an RSP and registered under the *Income Tax Act* (Canada) (the "**Tax Act**"), then all or part of the Deposits made under the Contract may be deductible for income tax purposes up to the limits permitted under the Tax Act. If the Contract is acquired as a result of a transfer made in accordance with the provisions of the Tax Act from another registered plan, the transfer may occur on a tax deferred basis. No tax is payable on net income and capital gains allocated to the Contract by the Funds or on capital gains realized on transfers between Funds. The Owner will generally be subject to income tax on withdrawals and benefits received by the Owner under the Contract, in accordance with the rules in the Tax Act governing registered RSPs. At maturity, the retirement income payments are fully taxable. The Tax Act currently stipulates that retirement income must commence no later than December 31 of the year in which the Owner attains the RSP Age.

If the Contract is issued as a RIF and registered under the Tax Act then no tax is payable on net income and capital gains allocated to the Contract by the Funds or on capital gains realized on transfers between Funds. Retirement income payments and any amounts withdrawn from the Contract are fully taxable in accordance with the rules in the Tax Act governing registered RIFs.

If the Contract is issued as a LIRA or Locked-in RSP, then the tax treatment is essentially the same as that described for an RSP. Similarly, if your Contract is issued as a LRIF or LIF, then the tax treatment is essentially the same as that described for a RIF.

A cancellation of Units in a Fund including but not limited to changes in underlying fund(s), transfers between funds, transfers from DSC to ISC, or vice versa, transfers as a result of a fund discontinuance is generally treated for income tax purposes as a disposition of capital property. If the Contract is issued as an RSP, RIF, LIRA, Locked-in RSP, LRIF, PRIF or LIF, then such a disposition, provided it is not accompanied by a withdrawal from the RSP, LIRA, Locked-in RSP, RIF, LRIF, PRIF or LIF, as applicable, will occur on a tax deferred basis.



## Tax Status of the Owner *cont'd*

### Non-Registered Contracts

If the Contract is not issued as an RSP, LIRA, Locked-in RSP, RIF, LRIF, PRIF or LIF and the Owner is a resident of Canada, then interest, dividends and net capital gains or losses realized each year on the assets of the Funds must generally be included in determining the Owner's taxable income. These amounts will generally be added to the adjusted cost base of the Owner's Units of the Fund for tax purposes. Each year, CI, on behalf of Transamerica will forward appropriate income tax slips showing the pro-rata share of net income included in the Owner's income and the capital gains or losses deemed to be capital gains or losses of the Owner in respect of the Funds. Any taxes withheld by Transamerica pursuant to applicable law will be forwarded by Transamerica to the applicable tax authority.

A cancellation of some or all of the Units to the Contract's credit in one Fund, and the allocation of the value of such Units to Units in another Fund will be construed as a disposition of capital property that is an interest in a trust for income tax purposes, and the Owner may realize a capital gain or capital loss on the disposition.

The exercise of particular provisions under the Contract including, without limitation, a surrender, whether in relation to a Deposit Maturity Benefit or otherwise, Contract Maturity Benefit or Death Benefit, may result in different income tax treatment to the Owner, and Owners should consult their tax advisers if they have any questions concerning the exercise of these provisions.

The reclassification of all or part of an Owner's Class A Units of a Fund to Class B Units of the same Fund will not be considered a disposition for tax purposes and, accordingly, the Owner will realize neither a gain nor a loss as a result of the reclassification.

A Fund that holds an investment in a "foreign investment entity" (FIE) may be deemed to have earned income equal to the annual appreciation in value of such investment or another imputed amount. If the "FIE rules" apply, you may be subject to tax on gains or income prior to the time any gain is actually realized or received and you may be required to include such amounts as ordinary income rather than as taxable capital gains.

### Top Up Benefits

Any amount credited to the Contract under the *Top Up Benefit*<sup>™</sup> (see "Top Up Benefit", page 37) may be treated as proceeds from the disposition of an interest in a segregated fund trust and a capital gain to the Owner for income tax purposes. In certain cases, including if the Contract is issued as an RSP, LIRA, Locked-in RSP, RIF,

LRIF, PRIF or LIF, then such amount credited will be deferred for tax purposes (provided it is not accompanied by a withdrawal from the RSP, LIRA, Locked-in RSP, RIF, LRIF, PRIF or LIF, as applicable).

### Transfers and Surrenders

In general, the direct rollover of monies from a Contract issued as an RSP, RIF, LIRA, Locked-in RSP, LRIF, PRIF or LIF to another RSP, RIF, LIRA, Locked-in RSP, LRIF, PRIF or LIF is a tax deferred transaction. If the Contract is issued as an RSP, RIF, LIRA, Locked-in RSP, LRIF, PRIF or LIF, a surrender (withdrawal) of monies from the Contract or other payment under the Contract will be fully taxable. Any surrender (withdrawal) of monies, whether a cancellation of the contract or utilization of the free withdrawal privilege or other payment from non-registered Contracts, will generally be construed as a disposition of an interest in a segregated fund trust and may give rise to a capital gain or a capital loss to the Owner.

### Eligibility as Registered Plans

Prospective owners and other persons should consult their own tax advisors with respect to the status of their Contract as a "qualified investment" under their particular circumstances.

This section as well as other tax information contained in this folder is a summary only of the principal Canadian federal income tax consequences arising under the Tax Act and the regulations thereunder to prospective Owners of Contracts who are residents of Canada and who deal at arm's length with Transamerica.

The tax summary contained in this section as well as tax information contained elsewhere in this folder (collectively the "**Tax Summary**") is based upon the provisions of the Tax Act and the regulations thereunder currently in effect, upon all proposed amendments thereto publicly released by the Department of Finance (Canada) prior to the date of printing this folder, upon Transamerica's understanding of the administrative practices and policies of Canada Revenue Agency, currently in effect and upon an advance tax ruling received from Canada Revenue Agency. The Tax Summary neither anticipates any other changes in law whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations.

**The Tax Summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular prospective Owner or other person. Therefore, prospective Owners and other persons should consult their own tax advisors with respect to their particular circumstances.**



## Tax Status of the Funds

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Each Fund is “segregated fund” for purposes of Part I of the Tax Act and is treated as a trust that is separate from Transamerica for income tax purposes. The income and realized capital gains and losses of each Fund are allocated to Owners. As a result, there is

generally no income tax payable by the Fund under the Tax Act. However, the Funds may be subject to foreign withholding taxes on income derived from non-Canadian investments.

## Claims of Creditors

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Under provincial insurance laws, the Contract may be protected from the creditors of the Owner if the Beneficiary is the spouse, parent, child or grandchild of the Annuitant (in Québec, the Beneficiary is an ascendant or descendant of the Owner) or if the Beneficiary is named irrevocably. **There are important limitations with respect to this protection and this summary is of a very general nature only and does not include all possible considerations. This summary is not intended to be, nor should it be construed to be, legal advice to any particular prospective Owner or other**

**person. Therefore, prospective Owners and other persons should consult their own legal advisors with respect to their particular circumstances.**

**In addition, if the Contract is held in nominee name with a broker or a dealer, creditor protection may not be available. Again, prospective Owners should contact their legal advisors regarding their particular situation.**

## Contract Statements

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A statement will be sent to the Owner at least annually, showing the Deposits, if any, received by CI, on behalf of Transamerica, since the last statement date, the deductions, if any, from such Deposits, the net amount, if applicable, allocated by CI, on behalf of Transamerica, to acquire Units in each Fund since the last statement date, the number of Units in each Class of each Fund allocated to the Contract since the last statement date, the total number of Units, if any, surrendered from each Class of each Fund since the last statement date and the Contract Value as of the statement date. As well, audited financial statements for the Funds and the Underlying Funds will be made available to the Owner at least annually.

If the Contract is issued as a LIRA, Locked-in RSP, PRIF or LIF, then additional information must be provided to the Owner by Transamerica regarding the Contract in accordance with the requirements of applicable pension benefits legislation. These requirements vary to some extent among different provinces (and for federally regulated employers) and, therefore, the applicable endorsement to the Contract should be reviewed by the Owner.



# Marketing of the Funds

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It is the intention of Transamerica to engage in the continuous sale of individual variable insurance contracts.

## Other Disclosure

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The management of Transamerica has no material interest in transactions with respect to any Contract.

There have been no contracts material to Owners and outside of the ordinary and normal course of business with respect to any Contract entered into by Transamerica within two year of the filing of this Information Folder.

There are no other material facts relating to your Contract that have not been disclosed in this Information Folder.



# Notes

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