

**Assumption/Fidelity Monthly Income Fund**

**Quick facts**

Date fund available: Sep 4, 2007

Date fund created: Sep 4, 2007

Managed by: Fidelity Investments Canada ULC

As at December 31, 2019

Total fund value: \$23,075,000

Portfolio turnover rate: 21.43%

Fund category	Minimum investment (\$)	MER (%)	Net asset value per unit (\$)	Units outstanding (000's)
Series A (no-load)	500	2.70	16.01	157.75
Series B (no-load)	500	3.63	14.13	749.40
Series C (back-end load)	1000	3.41	14.38	692.68

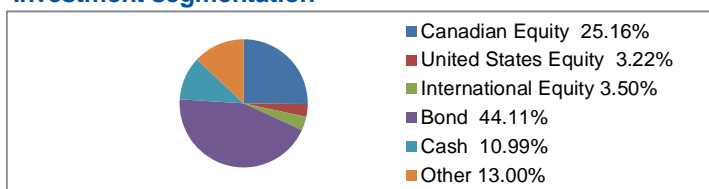
**What does the fund invest in?**

This segregated fund invests in the Fidelity Monthly Income Fund. The underlying fund invests primarily in a mix of Canadian equity securities, Canadian fixed-income securities, U.S. commercial mortgage-backed securities, and U.S. higher yielding, lower quality fixed income securities, preferred stocks and convertible securities.

**Top 10 investments (of the underlying fund)**

	% Assets
CAD Forward Contract	27.01
Fidelity American High Yield Series O	10.56
Fidelity Canadian Money Market Investment Trust	7.12
Fidelity Convertible Securi Multi-Asset Base Sr O	4.01
S&P/TSX 60 MAR0	2.67
BCE Inc	2.64
SPDR Gold Shares	2.45
EMINI S&P MAR0	1.88
Enbridge Inc	1.76
Imperial Brands PLC	1.63
<b>Total</b>	<b>61.73</b>
<b>Total investments</b>	<b>1106</b>

**Investment segmentation**



**Are there any guarantees?**

This fund is being offered under an insurance contract. It comes with guarantees that may protect your investment if the markets go down. The MER includes an insurance fee that is charged for the selected guarantee. For details, please refer to the information folder and the contract.

**Who is this fund for?**

This fund may be right for a person seeking to obtain a long-term return through a prudent balance of income and capital appreciation and who is comfortable with the ups and downs of the market.

**How has the fund performed?**

This section tells you how the fund has performed over the past 10 years for a contract holder who chooses the series C. Returns are after the MER has been deducted.

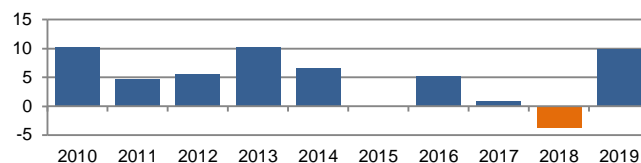
It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual return will depend on the investment option you choose and on your personal tax situation. As the performance shown is for the back-end load C series, which has a lower management fee, the return on the no-load B series, which has a higher management fee, would be lower.

**Average return**

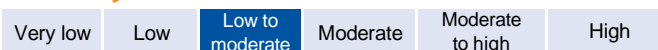
A person who invested \$1,000 on Dec 31, 2008, in series C has \$1,600.90 net on Dec 31, 2019, an average of 4.82% a year.

**Year-by-year returns (%)**

This chart shows how the fund would have performed in each of the past 10 years for a policyowner. In the past 10 years the fund was up in value 8 years and down in value 2 years of the 10 years.



**How risky is it?**



The value of your investments can go down. Please see the *Individual Risk Factors* section of your information folder for further details.

## Assumption/Fidelity Monthly Income Fund

### How much does it cost?

One of the following sales charge options will apply. For details, refer to the information folder and discuss with your financial advisor.

#### 1. Sales charges

Sales charge option	What you pay	How it works
Front End Sales Charge	N/A	N/A
Deferred Sales Charges	If you sell within: 1 year of buying 6.0% 2 years of buying 5.0% 3 years of buying 4.0% 4 years of buying 3.0% 5 years of buying 2.0% 6 years of buying 1.0% After 6 years 0.0%	When you invest in the fund, Assumption Life pays a commission of up to 5.2%. Any deferred sales charges are payable to Assumption Life. <ul style="list-style-type: none"> <li>The sales charges are deducted from the amount you sell.</li> <li>You may sell up to 10% (20% for RIF tax types) of your units each year without paying a sales charge.</li> <li>You may switch to units of other funds within the same guarantee option without paying any sales charges. The sales charge schedule will be based on the date you invest in your first fund.</li> </ul>

#### 2. Ongoing expenses

The management expense ratio (MER) includes the management fees, the operating expenses, the insurance fee and applicable sales taxes for the selected fund guarantee. You don't pay these expenses directly. They affect you because they reduce the return you get on your investment. For details on how the guarantees work, see your variable annuity contract or your information folder.

Fund category	MER (Annual rate as a % of the fund's value)
Series A (no-load)*	2.70
Series B (no-load)*	3.63
Series C (back-end load)	3.41

\*No exit fees are applicable to any transfer or partial or full surrender.

#### Trailing commission

Assumption Life pays a trailing commission to your advisor of up to 1.15% on series B funds and up to 0.5175% on series C funds of the value of your investments each year. This is for services and advice provided by your financial advisor. The trailing commission is already included in the management fee.

#### 3. Other fees

- No fees are charged for the first 4 internal transfers made within a calendar year. A \$20 fee per transfer is charged for additional transfers.
- A transfer fee of \$50 per transfer to another financial institution is applicable to the partial or total transfer of any amount from your Assumption Life annuity contract to another financial institution regardless of whether the source of the funds is a segregated fund or a GIA.
- A \$25 fee is deducted directly from your contract, without notice, for any cheque or preauthorized debit which is not honoured by your financial institution.
- A monthly contract fee may apply for a group annuity contract and also for an individual annuity contract issued before December 31 2001.

# FUND FACTS

## Assumption Life Investment Funds

The following terms and definitions are provided to assist you in understanding these Fund Facts.

**Date Fund Created:** The date the fund was launched and from which the financial information regarding the performance of the fund is being tracked.

**Date Fund Available:** The date on which the segregated fund became available for purchase.

**Total Fund Value:** The dollar figure representing total market value of assets within the segregated fund at the specified date. **It does not represent the total market value of the underlying fund.**

**Net Asset Value per Unit:** The dollar value of each unit notionally held within a segregated fund, calculated as follows: total value divided by the number of units outstanding.

**Number of Units Outstanding:** The number of units notionally held by all unit owners of the Assumption Life segregated fund.

**Management Expense Ratio:** The sum of the fund's management fees, insurance fee, operating expenses and any applicable sales taxes. This includes the same applicable costs of the underlying fund. The MER varies by fund. The MER is based on the last audited financial statements. Current MERs will be available once the latest year audited financial statements are completed. The most recent audited financial statements are available online on Assumption Life's Web site at: [www.assumption.ca](http://www.assumption.ca).

**Portfolio Manager:** An individual, or firm, who controls the assets within the fund or underlying fund. The portfolio manager monitors and selects appropriate investments based on the investment objective of the fund or underlying fund.

**Portfolio Turnover Rate:** The fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the fund manager buying and selling all of the securities in its portfolio once in the course of a year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in that year, and the greater the chances of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a fund's high turnover rate and its performance. Where Assumption Life's segregated funds invest in an underlying fund, the Portfolio Turnover Rate indicated in the Fund Facts represents the underlying fund's Portfolio Turnover Rate.

**Minimum Investment:** The minimum amount that is needed to purchase a contract or units of a particular fund.

### THINGS YOU SHOULD KNOW WHEN PURCHASING AN ASSUMPTION LIFE INVESTMENT FUND

If you purchase an Assumption Life Investment Fund contract, the following sections outlined in each segregated fund description of this Fund Facts form part of your policy:

- Name of the contract and the segregated fund
- Management Expense Ratio
- Risk disclosure titled: *How risky is it?*

- Fees and expenses titled: *"How much does it cost?"*

The Right to cancel section titled: *What if I change my mind?*, outlined below, also forms part of the policy.

The Fund Facts information is accurate and complies with the requirements of applicable guidelines relating to individual variable insurance contracts as of the date it was prepared. If there is an error in the Fund Facts, we will use reasonable measures to correct the error, but you will not be entitled to specific performance under the Policy.

### Q & A

This Q & A section aims at providing you with valuable information regarding our Assumption Life Investment Funds.

#### What does this fund invest in?

The fund can purchase securities directly, hold underlying fund(s), or do a combination of both. If it holds securities directly, then the top 10 investments are those of the fund. If it holds underlying funds, then the top 10 investments will list the top 10 investments of the underlying fund if the total is more than 50% of the fund's assets. If the underlying fund is less than 50% of the fund's assets, then the name of the underlying fund will be listed as one of the top 10 investments.

#### How has the fund performed?

This section tells you how the fund has performed over the past 10 years. If the fund was created recently, the performance will only reflect the number of years of existence of said fund. Returns are after the MER has been deducted. It is important to note that this doesn't predict how the fund will perform in the future. Also, your actual return will depend on your personal tax situation.

#### Average return

This shows what the return of a person who invested \$1,000 in the fund would be and what the average percent per year an investment in the fund for a specific period would work out to. For any Fund with less than a one-year history, this information is not provided due to insufficient segregated fund history.

**Year-by-Year Return.** This is a bar chart showing how the fund has performed in each of the past 10 years, or less if applicable. We will also indicate the number of years in which the fund increased or decreased in value. Where a segregated fund invests in an underlying fund and historical performance information is not available, we will include information for the underlying fund. Underlying fund performance would be different than the performance of the segregated fund, since the segregated fund has higher costs and the timing of purchases and redemptions in both funds are not identical.

## How risky is it?

The value of your investments can go down. The level of risk that is suitable for you will depend on a number of factors, such as your investment goals and risk tolerance. Speak to your financial advisor to determine the appropriate funds for you in your particular circumstances.

## Are there any guarantees?

Your contract has certain guarantees that protect the value of your investment upon maturity and at death. At other times, the value of your investment will go up or down. The MER includes the insurance cost for the guarantee. For details, please refer to the information folder and the contract.

## Who is this fund for?

This section states the type of investor for whom the fund would be suitable. Speak to your financial advisor to determine your investment goals and risk tolerance.

Funds that have very low or no volatility, such as short-term or money market funds, are suitable for investors who have little or no tolerance for risk. They require capital preservation and seek potential for interest income accumulation. These types of funds have less potential for future growth.

Fixed income funds are appropriate for investors who are seeking potential mostly for income and some long-term growth and who require some capital preservation with a small tolerance for the ups and downs of the market.

Canadian equity funds have higher volatility compared to interest bearing funds such as short-term and fixed income funds, but also have the potential for higher growth down the road. These types of funds are right for investors seeking potential for mostly long-term growth and some income and who are comfortable with the ups and downs of the market.

Small cap., emerging market and foreign equity funds are mostly suitable for investors who are seeking potential for long-term growth and who are very comfortable with the ups and downs of the market. These types of funds may have significant volatility in the short term.

Certain equity funds such as dividend funds and particularly Canadian and foreign balanced funds have the potential for growth and income. These types of funds may be right for investors seeking to obtain a long-term return through a prudent balance of income and capital appreciation and who are comfortable with the ups and downs of the market.

Assumption Life may close a segregated fund at any time by providing you with a 60-day prior written notice. See section titled Fund Discontinuance in the Information Folder. Please note that a segregated fund showing a small total fund value a few years following its creation date has a greater chance of being discontinued.

## How much does it cost?

This describes the costs to buy, own or sell units of the funds.

An exit fee, based on a percentage value, will be charged on each amount surrendered from a back-end load segregated fund (Series C) within six years from the date of deposit. If you choose the back-end load investment option, you will pay a deferred sales charge (exit fee) of 6% on any withdrawal amount during the first year of your investment. This

percentage will decrease at the rate of 1% per year thereafter. However, your management fees will be lower than if you had chosen the no-load investment option (Series A and B).

## No-Load Option (Series A and B)

No deferred sales charge (exit fees) is applicable to any transfer or partial or full surrender from a no-load investment option (Series A and B). Please note that the Series A option is only available for individual contracts issued prior to January 1, 2002, and for group plans.

After purchasing the contract, you have to pay certain ongoing expenses while you own the contract, such as the annual Management Expense Ratio (MER), which is explained under the ongoing expenses section of each fund.

**Other fees** There are certain other miscellaneous charges which you may incur and which are outlined on each Fund Facts sheet.

## What if I change my mind?

You may change your mind about purchasing a variable annuity contract within two business days of the earlier of: the date you received confirmation or five business days after it is mailed. You have to notify Assumption Life in writing that you want to cancel your contract. The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. The amount returned will include a refund of any back-end load fees or other fees paid.

You may also change your mind about any other transaction you make under the contract within two business days of the earlier of: the date you received confirmation or five business days after it is mailed. In this case, the right to cancel only applies to the new transaction.

You will be refunded the lesser of the amount invested or the value of the fund on the valuation day no later than the day following the day we received the cancellation request plus any fees or charges associated with the transaction.

## Where can I get more information or help?

You may contact Assumption Life's head office at any time by mail at P.O. Box 160 / 770 Main Street, Moncton, New Brunswick E1C 8L1, by phone at 1-888-577-7337 (toll free) or 506-853-6040, by fax at 1-855-430-0588 (toll free) at 506-853-9369 or by e-mail at [investments.retirement@assumption.ca](mailto:investments.retirement@assumption.ca).

For information on how to handle issues you are unable to resolve with us, contact the OmbudService for Life and Health Insurance at 1-888-295-8112 or go to their Website at [www.olhi.ca](http://www.olhi.ca). For Quebec residents only, you may also contact the Information Centre of the Autorité des marchés financiers (AMF) by phone at 1-877-525-0337 or by e-mail at [information@lautorite.qc.ca](mailto:information@lautorite.qc.ca).

For information about additional protection that is available for all life insurance policyholders, contact Assuris, a company established by the Canadian life insurance industry. See [www.assuris.ca](http://www.assuris.ca) for details.

For information regarding how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators Web site at [www.cciir-ccrra.org](http://www.cciir-ccrra.org).