

COMPENSATION AND PERFORMANCE REPORTS

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In 2017 you will receive two new reports from your mutual fund dealer. Here's what you need to know.

The two new reports are:

- 1 The Charges and Compensation Report**
- 2 The Investment Performance Report**

The new reports provide important information about the performance of your investments, and the charges and compensation you paid during the year. You will receive the new reports annually.

This guide provides you with information to help you understand the new reports. You can use the new reports to compare the cost of the advice you receive, and the performance of your investments against other options. The following pages include sections of sample reports to help illustrate the new information that you will see. Complete report samples are included at the end of this guide and include indicators that you can cross reference with the information in the following pages. **The exact format and layout of the reports may vary from dealer to dealer.**

GOOD TO KNOW

Once received, you should review the new reports to assess the overall cost and performance of your account. You should also consider how each individual investment impacted your portfolio. For example, was a change in account value due to the performance of all your investments, some of your investments, or just a single investment? Review your account statements and speak to your advisor to obtain further details about the cost and performance of individual investments. You can also obtain information on an individual mutual fund from its Fund Facts which you can obtain from the fund company's website. For more information on Fund Facts please visit: www.aboutfundfacts.ca

Charges and Compensation Report

The charges and compensation report provides a breakdown of the costs and compensation that were paid to your dealer over the past year. There is a *Fee and Charges Glossary* on page 5 of this guide to help you understand the various fees and charges you may see on your report.

The report will show costs broken down into the following three categories:

1 Amounts paid to the dealer for general administration of your account:

This section sets out charges that you paid for the administration and operation of your account. Examples include administration fees, transfer fees, RSP fees and trustee fees. These are fees charged to your account that do not relate to specific transactions.

2 Amounts paid to the dealer for specific transactions:

This section sets out charges you paid relating to specific transactions in your account. Examples include front-end sales commissions and switch fees. These types of charges do not apply to all investments.

3 Amounts the dealer received from others to service your account:

This section sets out compensation your dealer received from third parties. These amounts are included in the price of the mutual fund that you purchase. While you do not pay these amounts directly or “out-of-pocket”, these amounts affect you because they reduce the investment’s return to you. Examples include trailing commissions and commissions from deferred sales charge mutual funds. The compensation paid to a dealer is not the same for all investments.

YOU SHOULD KNOW

Investment advice is never free and fees and compensation can vary. Discuss charges and compensation with your advisor **before purchasing an investment** to make sure that you understand and are comfortable with the amounts that you will pay.



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Charges and Compensation Report

For the period of January 1, 2016 to December 31, 2016

Charges and Compensation Details for Account RSP 12345678

Section 1: Amounts paid to us for general administration

Type	Amount	Totals
RSP administration	\$100	
Transfer fee	\$20	
Trustee fee	\$10	
Sub-Total: Section 1		\$130

Section 2: Amounts paid to us for specific transactions

Type	Amount	Totals
Front-end sales commission	\$25	
Sub-Total: Section 2		\$25
Total: Section 1 and 2		\$155

Section 3: Amounts we received from others

Type	Amount	Totals
Commission from deferred sales charge investments*	\$50	
Trailing commissions*	\$452	
Sub-Total: Section 3		\$502
Total charges and compensation we received to service your account		\$657

*See the **Notes** section for a description of these amounts.

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» **IT IS IMPORTANT TO NOTE** that the Charges and Compensation Report does not provide you with a breakdown of all of the costs of owning a mutual fund. Two costs that are not shown are the **fund management fee** and the **fund operating expenses** which are components of a mutual fund’s **Management Expense Ratio** or **MER**. The MER of each fund is set out in its Fund Facts.

Costs built into the price of a mutual fund such as the MER impact your performance return. It is important to fully understand and consider the MER of a mutual fund before you make a purchase and you should discuss the MER with your advisor. For more information on the MER please see the *Fees and Charges Glossary* on page 5 of this document.

Other fees not set out in the Cost and Compensation Report are **redemption charges**. These are fees which are charged upon the redemption of an investment. Examples include deferred sales charges and short term trading fees. You should discuss redemption fees with your advisor prior to making a redemption if you are not sure whether such fees apply to your investments.



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

Investment Performance Report

The Investment Performance Report provides information on the performance of your account and is broken down into the following two parts:


1 Change in value of your investment account:

The information in this part is set out in three sections and provides you with the change in value of your account: 1) since its opening¹ and 2) during the past year.

GOOD TO KNOW

By reviewing the information in this section you can determine whether there has been an overall increase or decrease in the value of your account, and what proportion of the change was due to a change in market value of your investments, or any deposits or withdrawals that were made.

- a** Look to this section if you want to know how much your investments have gained or lost.
- b** The bar chart shows a visual representation of how much your investments have gained or lost since account opening¹. The bar on the left shows the amount invested since opening the account¹, and includes your initial investment and all deposits and withdrawals. The bar on the right shows the market value of your account as of the end of the year. The difference between these two values is the change in the market value of your investments from the time that you opened the account¹.
- c** This table shows a breakdown of the closing market value of the account. This is calculated by beginning with your opening balance and adding any deposits, subtracting withdrawals, and adding or subtracting the change in market value of the investments in the account. Look to this section to see how deposits and withdrawals have affected the value of your account in addition to any change in the market value of your investments.



XYZ FINANCIAL INC.
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Investment Performance Report
For the period ended December 31, 2016

John Q. Public
1234 Main Drive
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This report tells you how your account has performed to December 31, 2016. It can help you assess your progress toward meeting your investment goals.

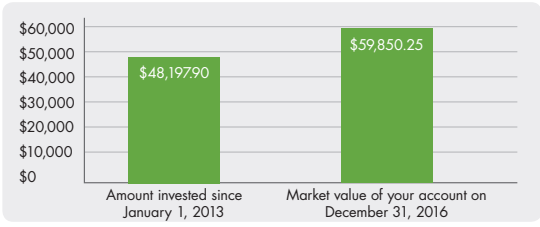
Speak to your representative if you have questions about this report. It is important that you tell your representative if your personal or financial circumstances have changed. Your representative can recommend adjustments to your investments to keep you on track to meeting your goals.

Your Advisor
Jane Smith
☎ (000) 000-0000
✉ jsmith@xyzfinancial.com

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4321 Queen Street
Anytown, CC
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Total value summary for RSP 12345678
Your investments have increased by \$11,652.35 since January 1, 2013
Your investments have increased by \$4,348.99 during the past year

Amount invested since January 1, 2013	\$48,197.90
Market value of your account on December 31, 2016	\$59,850.25



Amount invested means opening market value plus deposits including: the market value of all deposits and transfers of securities and cash into your account, not including interest or dividends reinvested.

Less withdrawals including: the market value of all withdrawals and transfers out of your account.

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This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past Year	Since Jan 1, 2013
Opening market value	\$57,501.26	\$40,197.90
Deposits	\$1,000.00	\$11,000.00
Withdrawals	\$3,000.00	\$3,000.00
Change in the market value of your account	\$4,348.99	\$11,652.35
Closing market value	\$59,850.25	\$59,850.25

Your personal rates of return
Total percentage return: represents gains and losses of an investment over a specified period of time, including realized and unrealized capital gains and losses plus income, expressed as a percentage. For example, an annual total percentage return of 5% for the past three years means that the investment effectively grew by 5% a year in each of the three years.

The table below shows the total percentage return of your account for periods ending December 31, 2016. Returns are calculated after charges have been deducted. These include charges you pay for advice, transaction charges and account-related charges, but not income tax.

Keep in mind your returns reflect the mix of investments and risk level of your account. When assessing your returns, consider your investment goals, the amount of risk you're comfortable with, and the value of the advice and services you receive.

Your Account	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Jan 1, 2013
RRSP 12345678	7.80%	8.71%	N/A	N/A	6.19%

Notes on your personal rates of return:
We are unable to provide a rate of return for one or more periods due to historical data not being available.
Calculation method: We use a money weighted method to calculate rates of return.
The returns in this table are your personal rates of return. Your returns are affected by changes in the value of the securities you have invested in, dividends and interest that they paid, and also deposits and withdrawals to and from your account.
If you have any questions regarding this report, please contact your advisor.

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Investment Performance Report

2 Your Personal Rate of Return:

The Performance Report provides your personal rate of return for your investments expressed as the total percentage return of your account, after charges have been deducted. This information is provided for the year covered by the report and from the date you first opened your account¹. Depending on how long your account has been opened, you may also see your personal rate of return for the past three, five and ten year periods.



555 King Street Anyplace, B8 B1B 1B1 (000) 000-0000

Investment Performance Report

For the period ended December 31, 2016

Change in the value of your account

This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past Year	Since Jan 1, 2013
Opening market value	\$57,501.26	\$40,197.90
Deposits	\$1,000.00	\$11,000.00
Withdrawals	\$3,000.00	\$3,000.00
Change in the market value of your account	\$4,348.99	\$11,652.35
Closing market value	\$59,850.25	\$59,850.25

2

Your personal rates of return

Total percentage return: represents gains and losses of an investment over a specified period of time, including realized and unrealized capital gains and losses plus income, expressed as a percentage. For example, an annual total percentage return of 5% for the past three years means that the investment effectively grew by 5% a year in each of the three years.

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RRSP 12345678	7.80%	8.71%	N/A	N/A	6.19%

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Calculation method: We use a money weighted method to calculate rates of return.

The returns in this table are your personal rates of return. Your returns are affected by changes in the value of the securities you have invested in, dividends and interest that they paid, and also deposits and withdrawals to and from your account.

If you have any questions regarding this report, please contact your advisor.

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¹ If a dealer does not have sufficient data from account opening it must provide the information from at least December 31, 2015.

Disclaimer: The sample reports are provided for illustrative purposes only and should not be used by MFDA Members as templates or construed as regulatory guidance.

Fees and Charges Glossary

Front-end Sales Commission

This is paid from your initial purchase before your money is sent to the fund manager. For example if you have \$2500 to invest into a mutual fund with a front-end sales commission of 1% then \$25 will go to the dealer and \$2,475 will be invested into the mutual fund.

Deferred Sales Charge or Low Load Fee

With a deferred sales charge fund you do not pay a fee when purchasing a mutual fund. A deferred sales charge is paid when you sell or redeem your mutual funds. However, the longer you hold a deferred sales charge fund the lower the fee becomes. Here is an example of a deferred sales charge fee schedule:

When you sell units of your mutual fund	You Pay:	
	In percent	For every \$1,000 you sell
Within 2 years	5.5%	\$55
During the 3rd year	5%	\$50
During the 4th year	4.5%	\$45
During the 5th year	4%	\$40
During the 6th year	3%	\$30
During the 7th year	1.5%	\$15
More than 7 years after buying	0%	\$0

The example above is a seven year schedule. Some funds have a shorter fee schedule such as three years which is sometimes referred to as a **low load fee**.

Using the schedule above as an example if you held the mutual fund for three years and at that time it was worth \$5000 you would pay a deferred sales charge fee of 5% of \$5000 which is \$250. \$250 would be subtracted from your \$5000 redemption and you would receive \$4750 from the proceeds of the sale.

Many fund companies allow you to withdrawn a certain amount, usually 10% annually, out of deferred sales charge funds without a charge.

RSP Fee and Trustee Fee

This may be charged to you by the dealer for administering your tax-sheltered retirement account.

Transfer Fee

This may be charged by the dealer if you transfer your funds to another institution.

Switch Fee

This is a fee which may be charged by the dealer or fund manager when you switch from one fund to another within the same fund family.

Early Redemption Fee or Short Term Trading Fee

Some dealers may charge a fee if you redeem your funds within a minimum period (generally 90 days). This is different than a deferred sales charge and is intended to discourage investors from frequent and short term trading.

Management Expense Ratio or MER

The management expense ratio or MER is paid directly to the fund manager **as a percentage** of the value of assets in the fund. The amount calculated from the MER goes towards paying: 1) Fund Management and Operating Expenses of the fund, and 2) Trailing Commissions.

1) Fund Management and Operating Expenses:

The fund manager receives a fee for the management and administrative costs of operating the fund from the amounts calculated through the MER. These amounts are not set out in the Charges and Compensation Report.

2) Trailing commission:

The fund manager pays a portion of the amounts calculated through the MER to the dealer for ongoing service to you for as long as you own the fund. Part of the trailing commission may be paid to your advisor by the dealer to monitor your account and provide you with on-going advice. The total trailing commissions paid to your dealer in a year for the investments you own is set out in the Charges and Compensation Report.

While you do not pay the MER directly, it reduces a fund's return. Two mutual funds that are exactly the same other than their MER will produce different returns equal to the difference in their MER. For example, a mutual fund with an MER of 2.5% will produce a return for an investor of 1% less than the exact same fund with an MER of 1.5%.

Account Statement Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Account Statement

For the period of October 1, 2016 to December 31, 2016

John Q. Public
1234 Main Drive
Anywhere, AA
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Your Advisor

Jane Smith
☎ (000) 000-0000
✉ jsmith@xyzfinancial.com

Ottawa Branch
4321 Queen Street
Anytown, CC
C2C 2C2

Summary

Description	Book Cost ¹	Market Value Oct 1, 2016	Market Value Dec 31, 2016
RSP 12345678	\$50,683.15	\$59,827.46	\$59,850.25
Total	\$50,683.15	\$59,827.46	\$59,850.25

¹ For accounts opened after January 1, 2013, book cost means the total amount paid to purchase an investment, including any transaction charges related to the purchase, adjusted for reinvested distributions, return of capital, and corporate reorganizations.

For accounts opened before January 1, 2013, book cost information for this account has been estimated by using an average of market value of positions as at January 1, 2013, and book cost information for purchases since January 1, 2013. Market value has been used because the book cost information was missing or inaccurate for the positions in this account prior to January 1, 2013.

Additional information about your account statement

This statement is based on information as at the end of the year that has been provided to us by the mutual fund companies and other product providers who maintain the legal record of client's investment holdings. Please notify XYZ Financial Inc. head office in event you identify any discrepancy.

In order to provide appropriate service to you, XYZ Financial Inc. and your Advisor rely on the information you have provided regarding your personal circumstances. Please notify your Advisor if there has been a material change in either the information you have previously provided to us or in your circumstances. These changes may be to your investment objectives, risk tolerance, time horizon or other personal information such as income, net worth, number of dependents or address.

Customers' accounts are protected by the MFDA Investor Protection Corporation ("IPC") within specific limits. Customers with accounts in Quebec are generally not covered by the IPC. Please refer to the IPC Coverage Policy on the website at www.mfda.ca/ipc for a description of the nature and limits of coverage, or contact the IPC at 1-888-466-6332.

Account Statement Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Account Statement

For the period of October 1, 2016 to December 31, 2016

RRSP 12345678

Summary of Investments

Investment	Account Number	Price	Units	Book Value	Market Value Oct 1, 2016	Market Value Dec 31, 2016
ABC082 ABC Funds Foreign Equity FE	12367	\$13.50	204.175	\$2,002.36	\$2,765.66	\$2,756.36
ABC682 ABC Funds Foreign Equity DSC	12367	\$13.50	924.551	\$10,056.79	\$12,523.62	\$12,481.44
EFG1800 EFG Investments Bond FE	789456	\$19.63	771.708	\$14,956.23	\$15,128.26	\$15,148.63
HIJ1583 HIJ Company Canadian Equity FE	2346543	\$17.51	1,562.450	\$21,562.45	\$27,309.82	\$27,358.50
QRS305 QRS Funds Money Market FE	3214569	\$10.00	210.532	\$2,105.32	\$2,100.10	\$2,105.32
				\$50,683.15	\$59,827.46	\$59,850.25

DSC, LSC or LL: This investment may be subject to a deferred sales charge upon redemption. For mutual funds, the sales charge is usually based on the net asset value of your units/shares at the time that you redeem, and is deducted from the amount you receive for the units/shares. Deferred sales charges decline to zero after a specific number of years.

The investments in this account are registered in your name at the fund company.

Transaction Details for the Period October 1, 2016 to December 31, 2016

EFG Investment Bond Fund

Trade Date	Activity	Gross Amount	Unit Price	Units	Total Units
Oct 1, 2016	Opening Balance				770.131
Oct 31, 2016	Dividend Reinvestment	\$10.35	\$19.60	0.52806	770.659
Nov 30, 2016	Dividend Reinvestment	\$10.29	\$19.65	0.52366	771.183
Dec 30, 2016	Dividend Reinvestment	\$10.31	\$19.63	0.52522	771.708
Dec 31, 2016	Closing Balance				771.708

QRS Funds Money Market FE

Trade Date	Activity	Gross Amount	Unit Price	Units	Total Units
Oct 1, 2016	Opening Balance				210.010
Oct 31, 2016	Dividend Reinvestment	\$1.74	\$10.00	0.174	210.184
Nov 30, 2016	Dividend Reinvestment	\$1.74	\$10.00	0.174	210.358
Dec 30, 2016	Dividend Reinvestment	\$1.74	\$10.00	0.174	210.532
Dec 31, 2016	Closing Balance				210.532

Charges and Compensation Report Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Charges and Compensation Report

For the period of January 1, 2016 to December 31, 2016

John Q. Public
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Your Advisor

Jane Smith
☎ (000) 000-0000
✉ jsmith@xyzfinancial.com

Ottawa Branch
4321 Queen Street
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This report summarizes the compensation that we received in 2016.

Our compensation comes from two sources:

1. What we charge you directly. Some of these charges are associated with the operation of your account. Other charges are associated with purchases, sales and other transactions you make in the account.
2. What we receive through third parties.

Charges are important because they reduce your profit or increase your loss from investing. If you need an explanation of the charges described in this report, your representative can help you.

Charges and Compensation Summary

Plan Charges and Compensation	Amount
RSP 12345678	
Amounts paid to us for general administration of your account	\$130
Amounts paid to us for specific transactions	\$25
Amounts we received from others to service your account	\$502
Total charges and compensation we received to service your account	\$657

Charges and Compensation Report Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Charges and Compensation Report

For the period of January 1, 2016 to December 31, 2016

Charges and Compensation Details for Account RSP 12345678

1 Section 1: Amounts paid to us for general administration

Type	Amount	Totals
RSP administration	\$100	
Transfer fee	\$20	
Trustee fee	\$10	
Sub-Total: Section 1		\$130

2 Section 2: Amounts paid to us for specific transactions

Type	Amount	Totals
Front-end sales commission	\$25	
Sub-Total: Section 2		\$25
Total: Section 1 and 2		\$155

3 Section 3: Amounts we received from others

Type	Amount	Totals
Commission from deferred sales charge investments*	\$50	
Trailing commissions*	\$452	
Sub-Total: Section 3		\$502
Total charges and compensation we received to service your account		\$657

*See the **Notes** section for a description of these amounts.

Charges and Compensation Report Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Charges and Compensation Report

For the period of January 1, 2016 to December 31, 2016

Notes:

Commission from deferred sales charge investments: When you purchase units of mutual funds on a deferred sales charge basis, we receive a commission from the investment fund manager.

Trailing Commission: Investment funds pay investment fund managers a fee for managing their funds. The managers pay us ongoing trailing commissions for the services and advice we provide you. The amount of the trailing commission depends on the sales charge option you chose when you purchased the fund. You are not directly charged the trailing commission or the management fee. But, these fees affect you because they reduce the amount of the fund's return to you. Information about management fees and other charges to your investment funds is included in the prospectus or fund facts document for each fund.

Our current schedule of operating charges:

[As part of the annual report of charges and compensation, registrants are required to provide their current operating charges that may be applicable to their clients' accounts. For the purposes of this sample document, we are not providing such a list.]

Investment Performance Report Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Investment Performance Report

For the period ended December 31, 2016

John Q. Public
1234 Main Drive
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A1A 1A1

This report tells you how your account has performed to December 31, 2016. It can help you assess your progress toward meeting your investment goals.

Speak to your representative if you have questions about this report. It is important that you tell your representative if your personal or financial circumstances have changed. Your representative can recommend adjustments to your investments to keep you on track to meeting your goals.

Your Advisor

Jane Smith
☎ (000) 000-0000
✉ jsmith@xyzfinancial.com

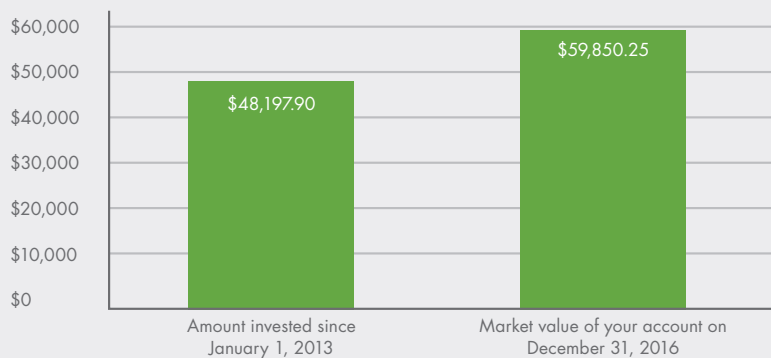
Ottawa Branch
4321 Queen Street
Anytown, CC
C2C 2C2

Total value summary for RSP 12345678

Your investments have increased by \$11,652.35 since January 1, 2013

Your investments have increased by \$4,348.99 during the past year

Amount invested since January 1, 2013	\$48,197.90
Market value of your account on December 31, 2016	\$59,850.25



Amount invested means opening market value plus deposits including: the market value of all deposits and transfers of securities and cash into your account, not including interest or dividends reinvested.

Less withdrawals including: the market value of all withdrawals and transfers out of your account.

Investment Performance Report Sample



555 King Street Anyplace, BB B1B 1B1 (000) 000-0000

Investment Performance Report

For the period ended December 31, 2016

Change in the value of your account

This table is a summary of the activity in your account. It shows how the value of your account has changed based on the type of activity.

	Past Year	Since Jan 1, 2013
Opening market value	\$57,501.26	\$40,197.90
Deposits	\$1,000.00	\$11,000.00
Withdrawals	\$3,000.00	\$3,000.00
Change in the market value of your account	\$4,348.99	\$11,652.35
Closing market value	\$59,850.25	\$59,850.25

Your personal rates of return

Total percentage return: represents gains and losses of an investment over a specified period of time, including realized and unrealized capital gains and losses plus income, expressed as a percentage. For example, an annual total percentage return of 5% for the past three years means that the investment effectively grew by 5% a year in each of the three years.

The table below shows the total percentage return of your account for periods ending December 31, 2016. Returns are calculated after charges have been deducted. These include charges you pay for advice, transaction charges and account-related charges, but not income tax.

Keep in mind your returns reflect the mix of investments and risk level of your account. When assessing your returns, consider your investment goals, the amount of risk you're comfortable with, and the value of the advice and services you receive.

Your Account	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Jan 1, 2013
RRSP 12345678	7.80%	8.71%	N/A	N/A	6.19%

Notes on your personal rates of return:

We are unable to provide a rate of return for one or more periods due to historical data not being available.

Calculation method: We use a money weighted method to calculate rates of return.

The returns in this table are your personal rates of return. Your returns are affected by changes in the value of the securities you have invested in, dividends and interest that they paid, and also deposits and withdrawals to and from your account.

If you have any questions regarding this report, please contact your advisor.