EdgePoint Q&A: Locked-in plans

Q. Why has EdgePoint decided to offer locked-in plans?

A. In addition to building advisor interest, our experience in working with Citi for the past three years has given us confidence that they can effectively administer locked-in plans, which are widely accepted as being more complex than most other plan types. Also, we're able to maintain reasonable record-keeping costs with Citi as opposed to using an intermediary.

Q. For which Canadian provinces will EdgePoint be able to accept locked-in money?

A. EdgePoint is able to accept money governed under provincial legislation for each province as well as federal legislation. For P.E.I., since no provincial legislation exists, monies originating from a P.E.I. pension will be administered according to the specific pension plan documentation.

Q. When exactly will EdgePoint client-name locked-in plans be available?

A. EdgePoint will begin accepting locked-in money on December 15, 2011. The only exception is money governed under Quebec legislation. Locked-in money under Quebec legislation can be accepted into an EdgePoint client-name locked-in plan as of January 3, 2012.

Q. Why can't money governed under Quebec legislation be accepted on December 15 like all other provinces?

A. The registration process for Quebec won't be completed until January 1, 2012.

Q. What is the investment minimum for locked-in plans and why is it higher than for other plans?

A. The investment minimum is $30,000 per Fund series as there are inherently higher administrative costs associated with locked-in plans. The higher minimum allows us to keep our record-keeping costs for locked-in plans in line with all other plan types and, as result, will not materially affect fund MERs. The higher minimum also ensures that investors who don't have locked-in plans aren't subsidizing the higher costs.

Q. What are some examples of the higher administrative costs for locked-in plans?

A. Examples include:

- Trades cannot be executed through FundSERV and therefore must be done manually. Higher costs are associated with manual transactions
- More follow-up is typically required at the time of set up (e.g., Obtaining locked-in agreements)
- Additional investor communication is required due to ongoing legislative changes, which means higher printing and mailing costs
- Transactions are more complicated, often take longer to process and require more resources to complete as compared to other plan types

Q. Are any EdgePoint forms changing to accommodate locked-in plans?

A. Yes, our *Investment Application* and *Transfer Authorization for Registered Investments* (T2033) have been updated to accommodate locked-in plans.

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