



# Index-Linked Term Deposits



Index-Linked Term Deposits offer unlimited earning potential with **NO RISK** to your principal investment. Your deposit will be locked in for either a 3 or 5 year period and returns linked to stock market performance. Returns are calculated based on the S&P/TSX 60 Index\*, which tracks sixty foremost companies in leading industries in Canada.

## Features

- ❖ \$1,000 minimum investment
- ❖ No additional fees or commissions
- ❖ Unlimited earning potential with principal guarantee protection
- ❖ 3 or 5 year terms available
- ❖ Not cashable prior to maturity
- ❖ RRSP/TFSA eligible
- ❖ Deposits are 100% protected by the Deposit Insurance Corporation of Ontario (DICO)

## How is the return calculated?

$$\frac{(\text{Average Value} - \text{Starting Value})}{\text{Starting Value}} \times \text{Participation Rate} = \text{RETURN}$$

**Participation Rate:** The percentage at which the Index-Linked Term Deposit will correspond to the performance of the S&P/TSX 60 Index. The participation rate can be below, at or above 100%.

**Average Value:** The average of monthly closing values of the S&P/TSX 60 Index for the term period. Using the average value levels out any potential losses from individual poor performances within the period or in the event (the stock) market collapses around the maturity date.

## Examples †

Each example starts with an investment size of \$1,000 with the index starting value at 450.

### Three year example

The average value of the S&P/TSX 60 Index over the term of the deposit is 500. The Participation Rate is 50%.

At the maturity date of the deposit the investor will receive:  $(500 - 450)$

$$\frac{\quad}{450} \times 50\% = \mathbf{5.56\%}$$

\$1,000 x 5.56% = \$55.60 plus the original \$1,000 principal.

*Annual Compounded Return:*  $5.56/3 \text{ years} = 1.83\%$

### Five year example

The average value of the S&P/TSX 60 Index over the term of the deposit is 550. The Participation Rate is 100%.

At the maturity date of the deposit the investor will receive:  $(550 - 450)$

$$\frac{\quad}{450} \times 100\% = \mathbf{22.22\%}$$

\$1,000 x 22.22% = \$222.22 plus the original \$1,000 principal.

*Annual Compounded Return:*  $22.22/5 \text{ years} = 4.44\%$

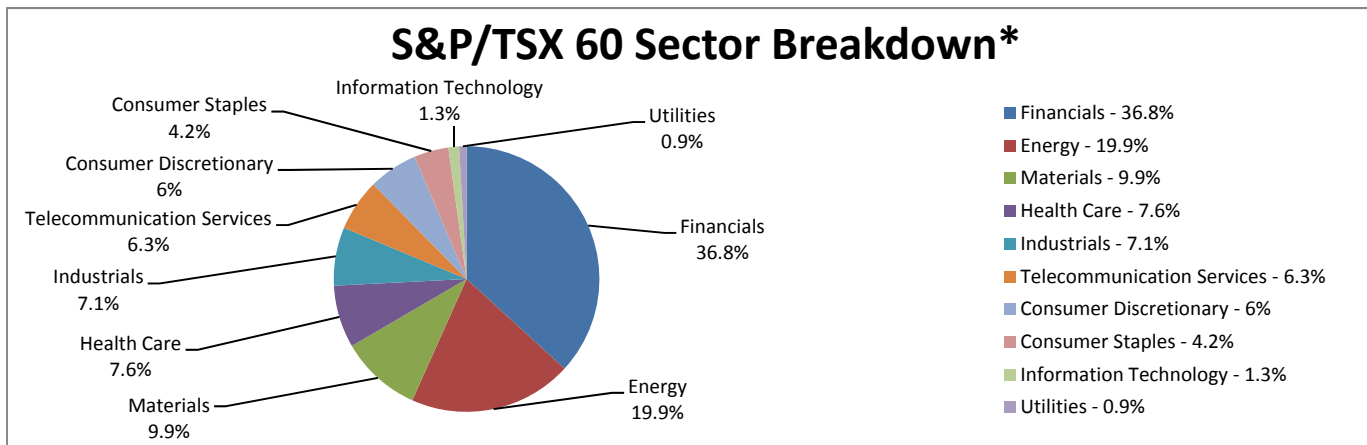
In the event that the average value is less than the starting value of the index the return on deposit will be 0%. When this occurs the investor will receive only their principal investment back at maturity.

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† Examples are for demonstration purposes. Rate of return is based on simple interest calculation. Please call or visit your branch for more information.

# What Industries does the S&P/TSX 60 cover?

Candidates for the S&P/TSX 60 Index are evaluated for ample liquidity and efficient share pricing, as well as representation of important industry segments within Canada. The S&P/TSX 60 Index provides economic diversity over various market sectors. These include Materials, Industrials, Telecommunication Services, Consumer Discretionary, Consumer Staples, Energy, Financials, Health Care, Information Technology and Utilities.



\*Breakdown as of June 30, 2015. Actual composition may change over time.

## Investment Options Comparative Chart

Features	Term Deposits	Index-Linked	Mutual Funds
Available as registered products (ie. TFSA, RRSP)	✓	✓	✓
Principal guarantee	✓	✓	
No fees	✓	✓	
Deposit protection*	✓	✓	
Return based on	Predetermined rate	Index performance	Market performance
Length of term	Many term options available	Option of 3 or 5 year term	No set term
Option to redeem during investment period	Redeemable options are available	Not redeemable until the term is up	Anytime

\* Depositors are 100% protected by the Deposit Insurance Corporation of Ontario (DICO)

### You should consider investing in Index-Linked Term Deposits if you:

- Are looking for an investment where the principal is guaranteed.
- Want the potential return from the stock market.
- Are interested in an investment that offers the potential for a return higher than a term deposit.
- Accept that at maturity, there is a chance that you may only receive your principal investment amount with no return.
- Will not need to access your principal for the term of the deposit.

### Things to note when investing in Index-Linked Term Deposits:

- Past performance of the S&P/TSX 60 Index is not indicative of future returns.
- Index-Linked Term Deposits do not include a guaranteed return.
- It is possible that at maturity investors will receive their principal investment back, but no further return.
- Return paid at maturity.

**If you would like more information or are ready to invest in an Index-Linked Term Deposit contact us today!**

**416-207-9239**

