

Canadian Investor Protection Fund

What protects you if your investment dealer becomes bankrupt?

That's why the Canadian Investor Protection Fund (CIPF) exists. CIPF ensures, within defined limits, that your cash and securities are protected.

The following basic Q & A will explain what CIPF means to you. For more detail, please visit our web site at www.cipf.ca or ask us for more information by calling 416-866-8366 or toll-free 1-866-243-6981.

WHAT IS THE CANADIAN INVESTOR PROTECTION FUND?

CIPF was created by the investment industry to ensure that client assets are protected - within defined limits - if a CIPF Member becomes bankrupt. Assets include cash, securities and certain other property such as segregated insurance funds. CIPF is not a government organization. Payments to clients are determined independently by CIPF, not by the investment dealers.

WHO PAYS FOR THIS COVERAGE? AND HOW DO I GET IT?

You, the investor, pay NO fees for CIPF protection. Coverage is automatic when you open an account with an investment dealer that's a Member of CIPF.

WHO ARE THE CIPF MEMBERS?

Approximately 200 investment dealers across Canada are Members of CIPF. For a current list of our membership, please visit our web site at www.cipf.ca or call 416-866-8366 toll-free 1-866-243-6981

You'll know you're dealing with a CIPF Member when you see the words 'Member CIPF' and/or the CIPF logo on your contracts and statements.

WHAT BACKS UP THIS PROTECTION?

CIPF maintains a substantial fund that's contributed to by each investment dealer. CIPF determines the size of the fund and the amount that each investment dealer has to contribute.

IS THERE A LIMIT ON THE AMOUNT OF COVERAGE?

Yes. The limit is Cdn \$1,000,000 for any combination of cash and securities.

IS MORE THAN ONE OF MY ACCOUNTS COVERED?

Yes. Most investors will have two accounts, a general account and a retirement account, that are each eligible for \$1,000,000 coverage. If an investor has several general accounts, such as cash, margin, and \$US accounts, they are combined into one account for coverage purposes. Similarly, retirement accounts such as your RRSP, RRIF, LIF and LIRA accounts are combined into one account for coverage purposes.

If you have other types of accounts, you'll want to review the information on our web site at www.cipf.ca as it will help you to determine which of your accounts would be combined.

IF MY ACCOUNT IS OVER \$1 MILLION, WILL I HAVE A LOSS?

Not likely, because the limit applies to your shortfall, which in most cases will be substantially less than the value of your account. For an example, please visit our web site at www.cipf.ca

ARE THERE LOSSES THAT AREN'T COVERED?

Yes. For example, CIPF doesn't cover losses from market fluctuations, or from the bankruptcy of an issuer of a security or deposit instrument held in your account, no matter how drastic or unfortunate.

HOW EXACTLY ARE MY ASSETS RECOVERED?

Putting it simply, CIPF will move your account - within the limits of coverage - to another investment dealer where you can access it; or CIPF will deliver the contents or value of your account to you.

It's important to remember that you're only covered if your losses result from the bankruptcy of a CIPF Member. Each claim is considered according to the policies adopted. They are available on our web site at www.cipf.ca - or by calling us.

WHAT DO I NEED TO DO IF MY INVESTMENT DEALER BECOMES BANKRUPT?

First, you'll be notified by a letter from the trustee in bankruptcy. Generally, investors don't have to file individual claims, as the trustee considers your monthly statement your claim. If you disagree with your monthly statement, you must file this claim with the trustee. A claim to a trustee is a claim to CIPF.

You have 180 days to file a claim from the date of bankruptcy.

HOW DOES THE CIPF WORK WITH THE INVESTMENT INDUSTRY TO GUARD AGAINST BANKRUPTCY?

Investment dealer bankruptcy doesn't happen very often. That's because each of our Sponsors, the Securities Commissions, and CIPF require that our Members comply with regulatory procedures. But if bankruptcy does occur, CIPF is here to protect you.

We work with these Sponsors:

- Investment Dealers Association of Canada
- Bourse de Montreal Inc .
- TSX Group of Companies

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