

Pivotal Select Segregated Funds

Chargeback Sales Charge Options

What is it?

No Load CB (NL-CB) and No Load CB5 (NL-CB5) are sales charge options in Pivotal Select™. When a deposit is made into a NL-CB or NL-CB5 fund the advisor receives upfront commission. If the client chooses to withdraw funds within the chargeback period (3 or 5 years), there is a chargeback of commission to the advisor and the client is not charged any deferred sales charges.

How is commission paid?

NL-CB		
	FundSERV	Non-FundSERV
	Initial commission: 3.5% of the amount deposited. Trailer commission starts one year after deposit and is doubled five years after deposit.	Initial commission: 2.5% of the amount deposited. Trailer commission starts one year after deposit and is doubled five years after deposit.
Months	Trailer Rate	Trailer Rate
1 – 12	0%	0%
13 – 48	0% Money Market Up to 0.252% Fixed Income Funds Up to 0.504% Balanced, Equity and Portfolio Funds	0% Money Market Up to 0.180% Fixed Income Funds Up to 0.360% Balanced, Equity and Portfolio Funds
49+	0% Money Market Up to 0.504% Fixed Income Funds Up to 1.008% Balanced, Equity and Portfolio Funds	0% Money Market Up to 0.360% Fixed Income Funds Up to 0.720% Balanced, Equity and Portfolio Funds

NL-CB5		
	FundSERV	Non-FundSERV
	Initial commission: 5.6% of the amount deposited. Trailer commission starts one year after deposit.	Initial commission: 4.0% of the amount deposited. Trailer commission starts one year after deposit.
Months	Trailer Rate	Trailer Rate
1 – 12	0%	0%
13+	0% Money Market Up to 0.252% Fixed Income Funds Up to 0.504% Balanced, Equity and Portfolio Funds	0% Money Market Up to 0.180% Fixed Income Funds Up to 0.360% Balanced, Equity and Portfolio Funds

How does the commission chargeback work?

A commission chargeback may be applied when a client withdraws fund units within 3 years (on the NL-CB) or 5 years (NL-CB5) from the date of purchase. The commission chargeback is calculated as a percentage of the initial commission. The rate of the commission chargeback is based on the age of the units being withdrawn. The commission chargeback rate is as follows:

Months	Commission Chargeback Rate NL-CB	Commission Chargeback Rate NL-CB5
1–12	100%	100%
13 – 24	97.2% – 66.4%	98.3% – 80.0%
25 – 36	63.6% – 32.8%	78.3% – 60.0%
37 – 48	0%	58.3% – 40.0%
49 – 60	0%	38.3% – 20.0%
61+	0%	0%

withdrawals free from chargeback prior to the end of the chargeback schedule?


Each year the commission chargeback is waived on 10% of a client's opening fund unit balance on January 1, plus 10% of fund units purchased throughout the year. The amount is non-cumulative year-to-year. This applies both to all registration types. The commission chargeback is also waived on death of the annuitant.

How is the commission chargeback calculated?


Commission chargeback example for NL-CB.

How is the commission chargeback calculated?


Using the NL-CB series of funds, Paul's advisor purchases \$10,000 of the Active Balanced Portfolio fund on May 1 via FundSERV



1,000 units
@ \$10.00




Paul redeems 500 units in May of the following year. Paul had 1000 units as of January 1, and made no other purchases or redemptions.



Units redeemed: 500
Age of units: 13 months
Commission chargeback rate: 97.2% (based on age)
Free units: 100
 (10% of the 1,000-unit balance)
Units subject to chargeback: 400 units (500 units being withdrawn minus 100 free units)

Initial commission: \$350
 (\$10,000 x 3.5% initial commission)

Commission chargeback to the advisor: \$136.08
 (400/1000 x 97.2% x \$350)



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