

ScotiaBRIDGE | Information Folder



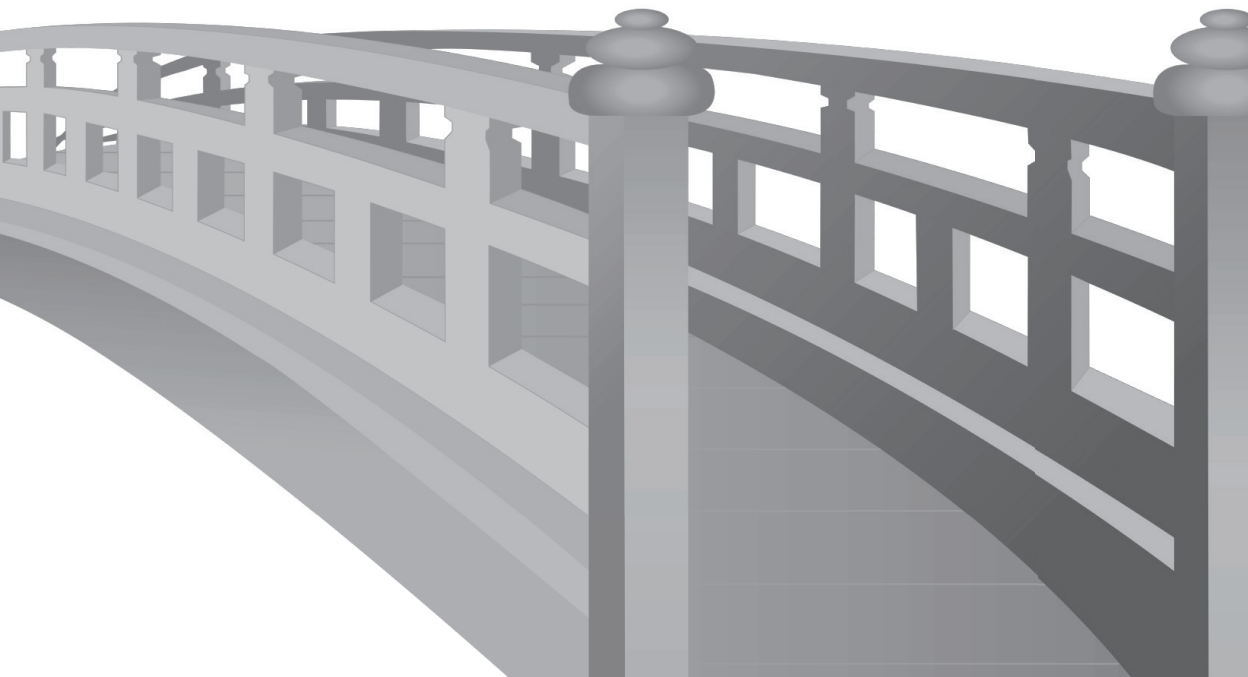
Scotia Insurance®

ScotiaBRIDGE

ScotiaBRIDGE is an Approved Retirement Scheme recognized under the Pensions (Superannuation Funds and Retirement Schemes) Act, 2004. The scheme is designed to enable Plan Members to accumulate tax-deductible contributions during their working years and to invest the contributions until their Retirement Date.

About Scotia Insurance (SJLIC)

SJLIC is a wholly owned subsidiary of The Bank of Nova Scotia Jamaica Limited. The company provides products which offers protection and long-term saving towards specific goals such as retirement, education, home ownership and financial independence.



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ScotiaBRIDGE

Description Of The Scheme

ScotiaBRIDGE (“the Scheme”) is an Approved Retirement Scheme recognized under the Pensions (Superannuation Funds and Retirement Schemes) Act, 2004. The Scheme is designed to enable Plan Members to accumulate tax-deductible contributions during their working years and to invest these contributions until their Retirement Date.

As a Plan Member, you participate in the Scheme by making Contributions, which are used to purchase units in the investment fund made available under the scheme. As contributions accumulate, they remain invested and continue to earn tax-deferred returns until your Retirement Date. Upon retirement, you will use all or a portion of your accumulated Plan Value to purchase a Payout Annuity or other plan that will provide you with a retirement income.

Who Administers the Scheme?

The Scheme is sponsored and administered by Scotia Jamaica Life Insurance Company Limited (“SJLIC” or “The Company”) on behalf of all Plan Members.

Contributions Held In Trust

All contributions are held in trust by a Board of Trustees on behalf of all Plan Members. Trustees are nominated by SJLIC and Plan Members, and are appointed in accordance with the Pensions Act.

Eligibility

In order to apply for membership under this Scheme, you:

- I. Must be a resident of Jamaica between the age of 18 years and 68 years based on age at last birthday.
- II. must be self-employed or employed in a non-pensionable post or not an active member of an Approved Superannuation Fund or another Approved Retirement Scheme.
- III. Must wish to transfer your pension benefits from an Approved Superannuation Fund (upon termination of employment) or from another Approved Retirement Scheme.

Contribution Limits

The Scheme accepts

- Regular Contributions, payable monthly or annually, subject to a minimum of \$3,000 monthly;
- Supplementary ad-hoc Contributions, subject to a minimum of \$10,000; and Transfer of your accumulated value from another approved plan (Approved Retirement Scheme or Superannuation Fund).

Legislation currently allows contributions of up to 20% of your annual income each year. It is your responsibility to ensure that the total amount of all the contributions made to the Scheme in a calendar year does not exceed the legislated maximum contribution.

Employer Contributions

our employer may contribute on your behalf. If your employer contributes to the Scheme, those Contributions form a part of your Member's Contributions and will be taken into account in determining whether you have reached the prescribed limit of contributions under the Pensions Act. The contribution of an employer shall not exceed the maximum prescribed contributions payable under an Approved Superannuation Fund.

Methods of Contribution

You may set up a Regular Contribution via salary deduction, a Pre-Authorized Payment Plan or contribute on an ad-hoc basis through the available payment channels offered by the Company. The current channels available are Telescotia, Internet Banking and any Scotiabank Branch.

Members Vested

A Member is vested in relation to all Contributions made to the Scheme by himself or on his behalf and will be entitled to benefits to be derived from his Plan Value.

Investment of Contributions

All Contributions paid and amounts transferred into the Scheme by or on behalf of a Plan Member shall be invested in units of an Investment Fund or Funds established by the Trustees for this purpose. A Plan Member may choose how his Contributions and any transferred values, if any, should be allocated among the Investment Funds. Each Contribution is used to purchase units of the selected funds based on the end of day unit value for the funds.

Plan Valuation

All Plan Members' transactions are settled by the application of fund units, based on fund unit value(s) prevailing on the date that the transaction is processed. Unit values are up- dated prior to settling the day's transactions.

The unit value for the fund varies from time to time and reflects the current value of assets held in the fund on behalf of all Plan Members and the number of units outstanding for the fund. The total value of a Plan Member's contributions to all funds is equal to the number of units held by the Plan Member in the fund multiplied by the respective unit values.

Unit values will be calculated as:

- I. The fair value of the net assets; plus

- II. Any investment income due and accrued for those assets including foreign exchange gains or losses and gains or losses on the sale of assets; less
- III. Applicable accrued charges including but not limited to:
 - A management charge which is a percentage of the net asset value of the fund,
 - Any broker's fees, valuation costs, audit and regulatory fees, government duties or other expenses directly attributable to the purchase, maintenance and sale of the assets of the fund,
 - An interest expense on initial seed capital, until repayment of the initial seed capital provided to the Fund by the Sponsor; divided by
- IV. the number of units outstanding at the end of the previous day.

Retirement Benefit

Under the terms of the Plan you may retire as early as age 54 but no later than your Plan anniversary following your 69th birthday. Upon Retirement, your Plan Value must be used to purchase a Payout Annuity or other Approved Income Plan. At this time, you also have the option to take a lump sum payment of up to 25% of the accumulated value of the plan, exempt of tax or charges, and use the remaining Plan Value to purchase the Payout Annuity. There are currently no restrictions on the maximum pension or Payout Annuity that you may receive on Retirement.

Maturity

Membership in the Scheme automatically matures on your Plan's anniversary following your 69th birthday. At maturity, you must use your Plan Value as outlined above (see Retirement Benefit).

Death Benefit

In the event of death prior to your Retirement Date, your Plan provides a Death Benefit equivalent to the full amount of your Plan Value, less applicable tax if any, which will be paid out to your named beneficiary or beneficiaries.

Termination of Membership

Membership may be terminated by the Company on the occurrence of any of the following whichever the soonest:

- If you cease to be eligible for membership in an Approved Scheme; OR
- If you cease to make Contributions as required, unless permitted to remain as a Plan Member under any provision of the Pensions Act; OR
- Death of the Plan Member and payment of the Death Benefit; OR
- If the plan value becomes insufficient to cover applicable charges, 60 days after the date on which you were given written notice and no further contributions are received; OR
- Upon discovering that your Application contains material misrepresentation or evasion.

You may terminate your Plan at any time prior to Retirement or Maturity of the Plan.

Upon termination, you may:

- Transfer your Plan Value to another Approved Superannuation Fund or other Approved Retirement Scheme; or
- Request the Trustees to apply your Plan Value to purchase a deferred Payout Annuity offered by a registered life insurance company.

Transfers

You have the option to transfer your Plan Value to an Approved Plan offered by another provider. All transfer payments from the Scheme must be effected by a direct payment to the trustees or administrator of the Approved Plan to which you wish to transfer. No partial transfers are permitted under this Scheme. Transfers to other Approved Plans prior to retirement may be deferred for up to six months at the sole discretion of The Company.

The Company is not responsible for any tax consequences if the Plan Value is improperly transferred from an Approved Plan to a Scheme or Plan that is not an Approved Plan.

Restrictions on Surrender

The Plan Member may not surrender any part of his or her Plan Value for cash except:

- Upon Retirement or Maturity of the Plan, where a lump sum amount (currently 25% of the Accumulated Plan Value) may be taken tax free.

Applicable Charges

The following charges will apply for the administration of this Plan:

- A one-time administrative set-up charge, payable upon joining the Scheme;
- A contribution load, payable on each regular and supplemental contribution;
- An administrative charge of \$200 per month, paid through the surrender of units;
- Surrender charges, applicable to Transfers, dependent on the year in which you surrender as outlined in the table below:

| Year | Surrender Charge | Year | Surrender Charge |
|------|------------------|------|------------------|
| 1 | 5.0% | 7 | 2.0% |
| 2 | 4.5% | 8 | 1.5% |
| 3 | 4.0% | 9 | 1.0% |
| 4 | 3.5% | 10 | 0.5% |
| 5 | 3.0% | 11+ | 0.25% |
| 6 | 2.5% | | |

On surrender, the net amount (NA) received by a Plan Member is equal to the gross amount (GA) less the applicable tax and surrender charge, utilizing the following formula:

$$NA = GA \times (1 - T - SC)$$

Where T is the applicable tax rate and SC is the applicable surrender charge rate. The Company reserves the right to change/add/delete these Charges from time to time. Changes become effective 30 days after the date of announcement.

Scope and Limitation of Investments

The available investment funds for the Scheme are ScotiaBRIDGE Money Market Fund, ScotiaBRIDGE Fixed Income Fund and ScotiaBRIDGE Growth Fund (hereinafter known as the ScotiaBRIDGE Funds). Currently the Funds may invest its assets in:

(1) ScotiaBRIDGE Money Market Fund

| Asset Class | Range % |
|---|---------|
| Cash and Money Market Securities | 5-100 |
| Fixed Income (excl. Cash and equivalents) | 0-95 |

| Fixed Income Sector | Range % |
|-----------------------------|---------|
| Government and Agency Bonds | 35-100 |
| Corporate Bonds | 0-35 |

(2) ScotiaBRIDGE Fixed Income Fund

| Asset Class | Range % |
|---|---------|
| Cash and Money Market Securities | 5-40 |
| Fixed Income (excl. Cash and equivalents) | 60-95 |
| Leases | 0-10 |

| Fixed Income Sector | Range % |
|-----------------------------|---------|
| Government and Agency Bonds | 45-100 |
| Corporate Bonds | 0-45 |

(3) ScotiaBRIDGE Growth Fund

| Asset Class | Range % |
|---|---------|
| Cash and Money Market Securities | 5-20 |
| Fixed Income (excl. Cash and equivalents) | 0-30 |
| Equities | 5-95 |

| Fixed Income Sector | Range % |
|-----------------------------|---------|
| Government and Agency Bonds | 0-100 |
| Corporate Bonds | 0-70 |

(4) ScotiaBRIDGE Income & Growth Fund

| Asset Class | Range % |
|---|---------|
| Cash and Money Market Securities | 2-30 |
| Fixed Income (excl. Cash and equivalents) | 50-90 |
| Equities | 5-40 |
| Real Estate | 0-20 |
| Leases | 0-10 |

| Fixed Income Sector | Range % |
|-----------------------------|---------|
| Government and Agency Bonds | 45-100 |
| Corporate Bonds | 0-45 |

*GOJ - Government of Jamaica

*BOJ - Bank of Jamaica

Investment activities are subject to statutory regulations, which place limits on eligible investments, general concentration limits, and related party investments. The regulations include, for certain investments, required credit ratings and other measures related to investment quality. The regulations impose a governance framework and solvency requirements on the Trust.

The Trustees have established investment policies and procedures for the ScotiaBRIDGE Funds. The Trustees may revise the investment policies and procedures, the approved asset classes, and the intended holdings of the ScotiaBRIDGE Funds at any time.

Risk Factors

Investing in the ScotiaBRIDGE Funds is subject to certain risk factors including, but not limited to the following:

General considerations - General considerations - Investors should recognise that the Fund's investment objective should not be considered as a complete or balanced investment programme.

Investment Returns - There is no principal guarantee or guaranteed investment return.

Economic conditions - The success of any investment activity is affected by general economic conditions, which may be affected by the level and volatility of interest rates and market prices. Unexpected volatility and illiquidity in the markets in which the Funds have invested could impair the value of assets in the Funds.

Political and regulatory risks - The value of the assets of any Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign currency denominated transactions, currency fluctuations, and other developments in the laws and regulations which apply to the Fund.

Suspension of trading - Securities exchanges typically have the right to suspend or limit trading in any particular investment instrument. Such a suspension or limitation could render it impossible for the Investment Manager to liquidate investments and thereby expose the Funds to losses.

Liquidity risks - Unexpected volumes of distributions to Plan Members or beneficiaries, due to mortality or surrender by individual Plan Members of part or all of their Plan Value, could require the Investment Manager to liquidate investments at unfavourable market terms, thereby exposing the Funds to losses.

What happens if a Risk Profile is not selected?

Members who do not select a risk profile will be placed in the Income and Growth Fund, which is a balanced fund comprising of exposure to money market, fixed income, equities and real estate classes.

Can I switch between Investment Funds?

The plan member can change the investment allocation once per year at no cost effective on the plan anniversary following the effective date of the revised Investment Selector Report. Any additional transfer requested within the same plan year shall attract a fund transfer fee.

How Are Trustees Appointed and Removed?

The Trustees will be appointed and changed by The Company as required from time to time. Any changes to the above may be obtained from Scotia Insurance at the above contact information or on our website jm.scotiabank.com/sjlic

There shall be no less than 5 Trustees on the Board of Trustees and it shall consist of:

- I. Sponsor Trustees;
- II. At least one Member Nominated Trustee; and
- III. At least one Pensioner Trustee in the event that the Scheme shall comprise of 30 or more Pensioners and/or Deferred Pensioners.

Each Member Nominated Trustee shall be appointed and elected by the active Plan Members of the Scheme and he may not be removed from the board except by a majority vote of the active Members.

A Sponsor Trustee may be removed by a resolution of the Sponsor and the Sponsor shall appoint a new Sponsor Trustee in the place of a Sponsor Trustee who has died or has retired or resigned or been removed.

A Pensioner Trustee shall be nominated and elected by Pensioners and/or Deferred Pensioners and shall not be removed from the board except by a majority vote of the Deferred Pensioners and/or Pensioners. These rules may change from time to time in accordance with changes in the Pension laws.

How Do I Register a Complaint?

Your first step is to contact a representative of The Company. The Company's contact information is:

By telephone: 876-922-3765 or toll free @ 888-GO-SJLIC (467-5542)

By mail: ScotiaBRIDGE Service

Scotia Insurance
3rd Floor, Scotiabank Centre
Cnr. Duke and Port Royal Streets, Kingston

By email: SJLIC Service

sjlic.service@scotiabank.com

If the Company is not able to resolve your concern to your satisfaction, your second step is to speak with a Trustee. Trustee contact information is detailed below:

Sharnakae Stewart - Sponsor Trustee

Yvett Anderson - Sponsor Trustee

Tricia Davies - Sponsor Trustee

Joy Angela Brown - Member Nominated Trustee

May I Report Complaints to the Financial Services Commission (FSC)?

If at any time you feel that your benefits under the Scheme are being jeopardized or you are dissatisfied with the decision reached by the Trustees you may inform the FSC in writing of your complaint or contact them at <https://www.fscjamaica.org/about/>

Master Trust Deed

There is a Master Trust Deed that contains detailed provisions of the Scheme and none of the provisions in this Information Folder shall override the Master Trust Deed.

Members are required to ensure that all personal information provided to Scotia Jamaica Life Insurance Company is accurate, complete, and current at all times. This includes, but is not limited to, employment details, income, residential address and identification documents. Members are also responsible for keeping beneficiary contact information up to date.

If any of this information changes or becomes outdated, members must promptly notify the company. Maintaining accurate records helps ensure timely and effective service delivery and protects the integrity of your membership in the ScotiaBRIDGE plan.

Further Information

If you have any questions or require further information concerning joining the Scheme, statements, benefit entitlements or any other provisions of the Scheme, you may contact the Scotia Insurance Sales Representative at your nearest Scotiabank Branch, or our Call Centre at **888-GO-SJLIC (888-467-5542)**. **Please visit our website jm.scotiabank.com/sjlic.html for any changes or updates to the Scheme.**

Name of Auditor: KPMG Jamaica

FSC Registration Number: P-07.0034

TAJ Registration Number: 001513605-0001

The ScotiaBRIDGE Fact Sheet which gives information on the investment objective, management fee, net asset value, asset allocation and scheme performance from inception to year-to-date forms a part of the Information Folder. For the Information Folder to be deemed complete, the inclusion of the Fact Sheet is mandatory. The ScotiaBRIDGE Fact sheet is available on our website (jm.scotiabank.com/sjlic.html) and also by hard copy.



Scotia Insurance.

Visit: jm.scotiabank.com/sjlic.html **Call:** 888-GO-SJLIC

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