

Dealer Relations

Preparing for the upcoming DSC ban for segregated fund contracts

As you know, the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) have announced that contributions into deferred sales charge (DSC) or low-load 3 (LL3) options of segregated fund contracts will no longer be accepted.

To help you prepare, we want to let you know about the steps Mackenzie will be taking to comply with the new regulations.

Prior to June 1, 2023

- All DSC and LL3 options of Mackenzie segregated funds and guaranteed investment funds will be closed to all new purchases at **4:00 pm ET on May 31, 2023**.
- PACs and other systematic purchase plans established on DSC and LL3 options and administered by Mackenzie will move to the front end (FE) equivalent fund at 0% commission for all account designations (client name, nominee, intermediary).
 - **Next run date after May 31, 2023:** will be moved during the week of May 16
 - **Next run date between May 16 – 31:** will be moved after the close of business on May 31
 - We'll be sending a letter to those clients to let them know that their systematic contributions will be moving to the FE version of the same fund.
 - If clients wish to move their PAC to a different fund, they can provide us with alternate investment instructions by **May 16, 2023**.
 - Advisors with impacted clients will receive a communication from Mackenzie in advance of the mailing.
- Any systematic plans established at the nominee/dealer will require action from the nominee/dealer

Transaction handling: June 1 and onward

- **Transfers-in:** Incoming cash transfers intended for DSC/LL3 options that are pending as of June 1 will be invested into the FE equivalent funds (at 0% commission) if the money is received June 1 or later. Advisors will be contacted to inform them of the change.
- **Purchases:** One-time or systematic purchase requests for DSC/LL3 options will be rejected.
- **Switches-in:** Switches into DSC/LL3 options from FE options are not permitted, but investors can still switch between different DSC/LL3 options.

Questions?

If you have questions or need additional information, please contact your Dealer Relations Account Manager directly or send an email to drelations@mackenzieinvestments.com.

Thank you for your continued support of Mackenzie Investments.

The Dealer Relations Team

A description of the key features of the segregated fund policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

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