

MARKETFLEX®
INDEX-LINKED TERM DEPOSIT
3 Year
Disclosure Summary

Term of Series: 3 years (Non-redeemable)

Maximum Return Rate: 25% maximum cap – paid at term maturity

Returns are calculated based on a series of monthly observations of the underlying index. All observations occur on a fixed date, which are then averaged equally over the term of the investment. At maturity, the averaged values (eg. 36 observations) form the final index value, which is the basis for the return calculation.

1. Index

Returns are based on the performance of the **S&P/TSX 60®** Index.

The **S&P/TSX 60®** Index is a large capitalization index for Canadian equity markets. It is comprised of 60 stocks as determined and calculated by Standard & Poors (S&P) from time to time in accordance with its rules.

The **S&P/TSX 60®** serves as the base for relative derivative products such as exchange traded funds, index options and futures.

2. Performance Reporting

MARKETFLEX® series performance will be reported on the Monthly Valuation Update which can be accessed on your credit union's Internet site or at:

<http://www.saskcentral.com/Index-Equity-Linked-Term-Deposits/Pages/default.aspx>

- Returns are based on index closing prices, using monthly averaging, and assume no dividend reinvestment.
- Historical return information is only provided for illustrative purposes.
- All returns are calculated in Canadian dollars.

3. Payments

(a) **Principal:** The investment will be re-invested into a one-year fixed term deposit at the effective rate on the Maturity Date or invested as per the owner's instructions indicated on the term receipt.

(b) **Calculation of Total Return:** The Credit Union will pay as a rate of return on the Principal Amount, for the period starting on the Strike Date and ending on the Maturity Date, an amount equal to the lesser of:

- (i) 100% of the percentage difference between the Final Average Value and the closing value of the Index on the Strike Date, multiplied by the Principal Amount, and
- (ii) The Maximum Return Rate.

Should the Final Average Value be less than the closing value of the Index on the Strike Date, then the total return paid will be zero.

The total return, if any, will be paid within 5 business days following the Option Maturity Date.

4. Disclosures

- (a) **Fees:** There are no fees or commissions applicable to this deposit.
- (b) **Risk Factors / considerations:** The following are some risks and considerations associated with this deposit:
 - (i) This deposit will not provide a guaranteed rate of return;
 - (ii) There is no guarantee the investment will earn a return. No rate of return will be payable if the Final Average Value is less than the closing value of the index on the Strike Date;
 - (iii) The amount of the total return payment will depend upon the performance of the S&P/TSX 60® index. No assurance will be given that the S&P/TSX 60® Index will perform in a manner that will generate a return;
 - (iv) Past performance of an index is not indicative of future returns; and
 - (v) The deposit is not equivalent to a direct investment in the securities of the S&P/TSX 60® Index and the deposit does not give the owner of the deposit any entitlement to or interest in the securities of the S&P/TSX 60® Index, including any right to receive dividend or distribution payments. The deposit is subject to different risks than a direct investment in the securities of the S&P/TSX 60® Index and any return payable will not be identical to the return associated with the securities of the S&P/TSX 60® Index.
- (c) **Difference from a Fixed Rate Investment:** Unlike a fixed rate investment, this deposit will not provide a guaranteed rate of return. The return on this deposit will depend on the performance of the S&P/TSX 60® Index.
- (d) **Suitability:** This term deposit provides opportunity but may pose risks, and is designed for individuals hoping to earn a higher rate of return than traditional deposits (such as fixed rate guaranteed investments) but who are willing to accept the risk of earning no return or a minimal return while having their principal guaranteed. Neither the Credit Union, Credit Union Central of Saskatchewan ("SaskCentral") or their agents or sponsors make any representation or warranty, express or implied, to the owner of the deposit or any member of the public regarding the suitability of investing in securities generally or in this Index-Linked Term Deposit specifically or the ability of the Credit Union, SaskCentral or their agents to track stock market performance.
- (e) **Deposit Guarantee:** Credit union deposit guarantees vary among provinces. The principal in an index-linked term deposit is guaranteed under the conditions of the province's credit union deposit guarantee program where it is sold. Because the return these deposits realize is linked to the performance of a stock market index, the exact amount of the return, if any, cannot be guaranteed until it has been deposited to the credit union. Please refer to your provincial credit union deposit guarantee corporation for details.
- (f) **Non-redeemable:** This deposit may not be redeemed until its Maturity Date. However, at the discretion of the Credit Union the deposit may be redeemed in the event of death of the owner of the deposit, or in the case of a joint deposit with survivorship, upon the death of the last surviving joint owner. Any penalty imposed for early redemption in these circumstances is at the discretion of the Credit Union, as will be outlined in an attached Schedule A, if applicable.
- (g) **Potential Conflict of Interest:** The Credit Union's calculations and determinations of rate of return will be final and binding on the owner of the deposit, and as a result potential conflicts between the interests of the term deposits and the Credit Union's interests may arise. The Credit Union, SaskCentral and/or their respective affiliates may from time to time, in the course of their normal business operations hold interests in or hold securities of or extend credit to or enter into other business dealings with one or more of the entities whose securities are held in the market indices. Such actions will be based on normal commercial criteria in the particular circumstances and may not take into account the effect, if any, of such actions on the amount of return payable, if any, on this term deposit.
- (h) **No Secondary Markets:** This deposit is not transferable. There shall not be any secondary market for this deposit.

5. Special Circumstances

- (a) **Extraordinary Events:** There is the possibility of the occurrence of a market disruption or other event beyond the reasonable control of the Credit Union and/or SaskCentral, which has or will have a material adverse effect on their ability to calculate the rate of return, to manage the related risk, or to otherwise perform their obligations under these Special Conditions. If such an event occurs, the Credit Union or SaskCentral may, acting reasonably take such action as they deem necessary, including (without limitation) adjusting, advancing or delaying the calculation or payment of any return.
- (b) **Discontinuation or Modification of S&P/TSX 60® Index:** If, for any reason, S&P ceases to calculate or publish the S&P/TSX 60® Index or materially changes the numerical form of (or the method of calculating) the S&P/TSX 60® Index, the Credit Union or SaskCentral may determine the rate of return as they deem appropriate, including consulting independent calculation experts to make any necessary calculations they deem appropriate.

6. S&P/TSX 60® Index Disclaimers

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