



PIVOTAL SOLUTIONS/PIVOTAL SOLUTIONS DSC | Savings and Retirement

Information Folder



FOR CONTRACTS ISSUED IN ALBERTA AND BRITISH COLUMBIA, THE FOLLOWING PROVISION APPLIES:

EVERY ACTION OR PROCEEDING AGAINST AN INSURER FOR THE RECOVERY OF INSURANCE MONEY PAYABLE UNDER THE CONTRACT IS ABSOLUTELY BARRED UNLESS COMMENCED WITHIN THE TIME SET OUT IN THE INSURANCE ACT.

KEY FACTS EXECUTIVE SUMMARY

Key Facts is a simple summary of the Pivotal Solutions/Pivotal Solutions DSC Non-registered Savings Plan, Retirement Savings Plan, Tax-Free Savings Account, Retirement Income Fund and Life Income Fund. This information folder pertains to different distinctive products, certain provisions will apply to some but not all.

This summary briefly describes the basic things you should know before you apply for this individual variable insurance contract. This summary is not your contract. A full description of all the features and how they work is contained in this information folder and your contract. Review these documents and discuss any questions you have with your advisor.

What am I getting?

This is an insurance contract between you and the Equitable Life Insurance Company of Canada (Equitable Life).

You can:

- Choose an investment option
- Name a person to receive the death benefit
- Pick a registered or non-registered contract
- Receive regular payments now or later.

The choices you make may affect your taxes. Ask your advisor to help you make these choices.

The value of your contract can go up or down subject to the guarantees.

What guarantees are available?

(p8-10)

You get maturity and death guarantees. These help protect your fund investments. You can also get added protection. This includes reset options.

You pay fees for this protection. The fees are described in *How much will this cost?*

Any withdrawals you make will reduce the guarantees. For full details please see this information folder and the contracts.

Maturity Guarantee

(RSP/NR p8, RIFp19, LIFp26)

This protects the value of your investment at specific dates in the future. These dates are explained in this information folder. If you make investments on more than one date, different maturity guarantees will apply.

On these dates, you will receive the greater of:

- The market value of the funds, or
- 75% of the money you put in the funds.

Death Benefit Guarantee

(RSP/NR p7, RIF p20, LIFp28)

This protects the value of your investment if you die. It is paid to someone you name.

The death benefit applies if you die before the maturity date. It pays the greater of:

- The market value of the funds, or
- 100% of the money you put in the funds.

Reset Option

(p8)

Client initiated resets for death and maturity benefit guarantees are available on Pivotal Solutions DSC contracts upon your written request. The reset option allows you to lock-in the value of your death and/or maturity guarantees on the contract reset date. The reset option is not available on Pivotal Solutions Contracts.

What investments are available?

(p3,4)

You can only invest in segregated funds. These segregated funds are described in *Fund Facts*.

Other than maturity and death benefit guarantees, Equitable Life does not guarantee the performance of the segregated funds. Carefully consider your tolerance for risk when you select an investment option.

How much will this cost?

(p2-4)

The guarantees, the funds and the sales charge options you select all affect your costs. If you invest in funds, you can choose between deferred or no-load sales charges. For full details see this information folder. (p2)

Fees and expenses are deducted from the segregated funds. They are shown as management expense ratios or MERs on the *Fund Facts* for each fund.

If you make certain transactions or other requests such as withdrawals, you may be charged for them.

For full details, see the section on “Fund Costs and Contract Charges” in this information folder. (p3,4)

What can I do after I purchase this contract?

If you wish, you can do any of the following:

Transfers

(RSP/NR p12, RIF p19, LIFp26)

You can switch from one fund to another. See the section on “Transfers” in this information folder.

Withdrawals

(RSP/NR p12, RIF p18, LIFp25)

If your funds are not locked-in, you can withdraw money from your contract. If you decide to do this, this will affect your guarantees. You may also need to pay a fee or taxes. See the section on “Withdrawals” in this information folder.

Premiums

(RSP/NR p6, RIF p16, LIFp23)

You may make lump-sum or regular payments. See the section on “Premiums” in this information folder.

Resets

(p8)

On some products, if the value of your investments goes up, you may reset your guarantees at a higher amount. See the section on “Resets” in this information folder.

Payout Annuity

(RIF p17, LIFp24)

At a certain time, we will start making payments to you. See the section “Retirement Income Fund (RIF)” and “Life Income Fund (LIF)” in this information folder.

Certain restrictions and other conditions may apply. You should review the contract for your rights and obligations and discuss any questions with your advisor.

What information will I receive about my contract?

We will tell you at least once a year the value of your investments and any transactions you have made.

You may request more detailed financial statements of the funds. These are updated at certain times during the year.

Can I change my mind?

Yes, you can change your mind about purchasing the contract within two business days of the earlier of the date you received your confirmation or five business days after it is mailed. You must tell us in writing that you want to cancel. The amount returned will be the lesser of the amount you invested or the value of the fund if it has gone down. The amount returned will include a refund of any sales charges or other fees you paid.

You can also change your mind about any other transactions you make under the contract within the same time frames outlined above. In this case, the right to cancel only applies to the new transaction.

Where can I get more information or help?

If you have questions or are not satisfied, talk to your advisor, or if you prefer, contact us at:

www.equitable.ca

Equitable Life of Canada
One Westmount Road N
Waterloo, ON N2J 4C7

1-800-668-4095

For information about handling issues you are unable to resolve with Equitable Life, contact the OmbudService for Life and Health Insurance at 1-800-268-8099 or on the Internet at www.olhi.ca. For Quebec residents, you can contact the Information Center of the AMF (Authority of Financial Markets) at 1-877-525-0337 or via email at information@lautorite.qc.ca.

For information about additional protection available for all life insurance contractholders, contact Assuris, a company established by the Canadian life insurance industry. See www.assuris.ca for details.

For information about how to contact the insurance regulators in your province, visit the Canadian Council of Insurance Regulators website at www.ccir-ccrra.org.

Any Amount That Is Allocated To A Segregated Fund Is Invested At The Risk Of The Contractholder and May Increase Or Decrease In Value.

A description of the key features of Equitable Life's Segregated Fund products, Pivotal Solutions accumulation and payout annuity contracts and Pivotal Solutions DSC accumulation and payout annuity contracts, are contained in this Information Folder.

Any amount that is allocated to a segregated fund is invested at the risk of the contractholder and may increase or decrease in value.

Under any of the Contracts, you, as a purchaser of an individual variable insurance contract will derive all your benefits under the terms of your Contract with Equitable Life®. You are *not* a unitholder of the underlying mutual fund or pooled fund in which Segregated Fund assets may be invested.

There are risks involved when investing in the Funds, which are described throughout the Segregated Fund descriptions contained within the Segregated Funds section and the Risk Factors section. Please review these risks, while keeping your own tolerance for risk and market volatility in mind, prior to making your investment selections.

Information and rates of return shown are for illustrative purposes only and are not indicative of future performance. Actual investment returns will vary depending on such factors as the Segregated Fund(s) selected, the general state of the market and other risk factors.

We suggest you review the Fund Facts of each of the Segregated Funds and the Information Folder, prior to signing the application. The most recent audited Segregated Funds Annual Report or unaudited Segregated Funds Semi-Annual Report issued by the Company can be accessed electronically at www.equitable.ca or the current printed version will be provided upon request. The Company publishes the audited Annual Segregated Funds Report and posts it to its website on or before April 30th each year for the prior fiscal year end results and the unaudited Segregated Funds Semi-Annual Report on or before September 30th each year for the prior 12-month period. Detailed information, including a simplified prospectus, Annual Information Form (AIF), and audited financial statements on the underlying funds is available upon request.

The Equitable Life Insurance Company of Canada ("Equitable Life") is a mutual life insurance company licensed to transact the business of life and health insurance and annuities in Canada. Its operations are governed by the Insurance Companies Act (Canada) and the terms and conditions of the policies issued by Equitable Life, and the manner in which they are distributed, are regulated by the Insurance Acts of various provinces in which it transacts business. Equitable Life commenced business in Canada in 1920 under the Ontario Insurance Act. The Company became a mutual company in 1963.

This is to certify that this Information Folder contains brief and plain disclosure of all material facts relating to the Pivotal Solutions accumulation and payout annuity contracts, and Pivotal Solutions DSC accumulation and payout annuity contracts. Your Information Folder is not complete without the Fund Facts of each of the Segregated Funds.



Fabien Jeudy, F.S.A., F.C.I.A.
President and Chief Executive Officer



Cam Crosbie
VP, Savings and Retirement

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This Information Folder pertains to both Pivotal Solutions and Pivotal Solutions DSC accumulation and payout annuity contracts and each are distinctive products. Please be mindful that as you read through the Information Folder, certain provisions will apply to some of the products but not all.

1. DEFINITIONS

“We”, “our”, “us”, “Equitable”, “Equitable Life” and “Company” refer to both The Equitable Life Insurance Company of Canada and its Head Office, located in Waterloo, Ontario.

“You”, “your”, and “contractholder” refer to the prospective owner of the Contract.

“Annuitant” is the person named as Annuitant on the Pivotal Solutions accumulation and payout annuity applications, and Pivotal Solutions DSC accumulation and payout annuity applications. Annuitant refers to the individual on whose life the maturity and death benefit guarantees are provided. The Annuitant may or may not be the Owner. For Registered Contracts, the Annuitant must be the Owner.

“Business Day” refers to a day on which the Toronto Stock Exchange is open for trading in securities. The actual time for closing the Exchange is the time which shall have been scheduled for closing in advance of its opening.

“Premium” refers to a new investment into the Contracts, received and deposited by us to our bank.

“Transfer” refers to the movement of funds from one Fund to another, within the same Contract.

“Effective Date of the Contract” is the date that the premium payment submitted with your signed accumulation annuity application is paid to us, or the date that the transferred fund relating to the previously submitted payout annuity application is received by us.

“Contract Anniversary” is the same day of the month, each year, as the Effective Date of the Contract coincident with or immediately following the date the initial premium is deposited to the Contract.

2. SUMMARY OF YOUR CONTRACT

Your Contract allows you to make premium payments and to allocate the premium payments to any of the Segregated Funds, which are then available under the Contract.

- Premium payments are used to acquire units in the Fund(s), which will be credited to the Contract.
- The number of units acquired in a Fund is determined by dividing the premium payments allocated to the Fund by the Unit Value of the respective Fund at the date of acquisition.
- The unit value of a Fund (referred to as “Unit Value”) is determined by dividing the market value of the assets of the Fund on a Valuation Date (less any applicable fees and expenses) by the total number of units outstanding at the time of valuation. For more information, see the Administration of the Funds section.
- The value of the units acquired in the Fund is not guaranteed and will fluctuate with the market value of the assets of the Fund.

Your Contract also provides minimum guaranteed benefits upon the death of the Annuitant, or upon maturity of the Contract. See the sections on guarantees and benefits for additional information.

You may make lump-sum withdrawals from your Contract or transfer all or a portion of the Account Value of a Fund in your Contract to another Fund within your Contract by redeeming units of Fund(s) allocated to your Contract. **The value of the units surrendered from the Fund(s) is not guaranteed and will fluctuate with the market value of the assets of the Fund(s).**

In this Information Folder we sometimes refer to units of a Fund(s) allocated to your Contract. Unlike an investment in a mutual fund, a segregated fund does not actually issue units or shares. Accordingly, an investment in a segregated fund is not represented by units or shares, but instead is represented by a Contract. Reference to units of a Fund(s) in this Information Folder is a notional reference only and the term “units” is being used to describe a measure of your Contract’s pro rata participation and corresponding benefits in a Fund(s).

3. AVAILABLE SEGREGATED FUNDS, FUND COSTS AND CONTRACT CHARGES

Premiums allocated to the Segregated Fund(s) are used to acquire units in the Fund(s), which will be credited to the Contract. The acquisition of units will be made within five (5) business days after we receive the premium. The number of units acquired in a Fund is determined by dividing the premium allocated to the Fund by the Unit Value of the respective Fund at the date of unit acquisition. The unit value of a Fund (referred to as "Unit Value") is determined by dividing the market value of the assets of the Fund on a Valuation Date (less any applicable fees and expenses) by the total number of units outstanding at the time of valuation. The Unit Value determined on that day shall remain in effect until the next Valuation Date. (Please refer to "Administration of the Funds" for more information).

The value of the units acquired in the Funds is not guaranteed and will fluctuate with the market value of the assets of the Funds.

When you purchase a Pivotal Solutions or Pivotal Solutions DSC Contract, you will be subject to certain Contract or direct charges as well as fund or indirect charges. Please also see the Transfers and Cash Withdrawals sections for more information on the 2% transfer value charge for frequent unscheduled trades performed within 90 days of acquiring units and \$25 fee applied for each unscheduled withdrawal after the first two (2) cash withdrawals in any calendar year.

Fund Costs

All Funds incur a Management Expense Ratio (MER).

- The combination of the Management Fee, Insurance Fee and Operating Expenses is used to determine a Fund's Management Expense Ratio (MER).
- The assets of the Segregated Funds are charged the Management Fees and Operating Expenses for both the segregated funds and the underlying mutual or pooled funds through adjustments to the unit value.
- The investment Management Fees of the underlying mutual or pooled funds will not be duplicated; rather these form a portion of the Management Fee of the Fund. For clarity, there are no management fees or sales charges payable by the segregated fund that would duplicate a fee or sales charge payable by the secondary fund for the same service.

A separate set of accounting records is kept for each Fund showing all contributions, withdrawals and the number of units outstanding. The financial statements for each of the Funds are subject to separate audits.

- All Operating Expenses incurred directly or on behalf of the operations of a Fund are the direct responsibility of the Fund and may, at our discretion, be charged to each Fund.
- The Operating Expenses of a Fund include, but are not limited to: administrative charges attributable to the Segregated Fund, incidental administrative fees allocated by the underlying mutual or pooled funds, taxes of any kind (other than income taxes), audit fees, legal fees and custodial fees.
- The Operating Expenses exclude commissions and brokerage fees on the purchase and sale of portfolio securities, which are charged directly to the Fund.
- The Equitable Life Insurance Company of Canada currently absorbs certain Operating Expenses. Please refer to the Notes to the Financial Statements contained in the audited Segregated Funds Annual Report for details on the absorbed Operating Expenses. This absorption shall continue at the Company's discretion and may be terminated by the Company at any time.

Both the Management Fees and the Management Expense Ratio (MER) set out in the chart below are those of the Equitable Life segregated funds, and include those of the underlying funds.

The MER is an estimate based on anticipated Operating Expenses.

I – Pivotal Solutions (No Load)

| Segregated Fund | Management Fee | Insurance Fee | Insurance Fee Limits | Estimated MER |
|--|----------------|---------------|----------------------|---------------|
| American Growth Fund | 2.35% | 0.10% | 0.60% | 3.32% |
| Asset Allocation Fund | 2.39% | 0.05% | 0.55% | 2.90% |
| Canadian Bond Fund | 1.71% | 0.05% | 0.55% | 2.50% |
| Canadian Stock Fund | 2.14% | 0.10% | 0.60% | 2.90% |
| Equitable Life Active Balanced ETF Portfolio Fund | 1.62% | 0.10% | 0.60% | 2.45% |
| Equitable Life Acuity Canadian Balanced Fund | 2.72% | 0.10% | 0.60% | 3.25% |
| Equitable Life Acuity Diversified Income Fund | 2.40% | 0.10% | 0.60% | 3.40% |
| Equitable Life Acuity Pure Canadian Equity Fund | 2.76% | 0.10% | 0.60% | 3.25% |
| Equitable Life Bissett Dividend Income Fund | 2.35% | 0.05% | 0.55% | 2.94% |
| Equitable Life Dynamic Far East Value Fund | 2.72% | 0.10% | 0.60% | 3.25% |
| Equitable Life Dynamic Power Global Growth Fund | 2.72% | 0.10% | 0.60% | 3.24% |
| Equitable Life Dynamic Value Balanced Fund | 2.46% | 0.10% | 0.60% | 3.20% |
| Equitable Life Invesco Canadian Premier Growth Fund | 2.70% | 0.10% | 0.60% | 3.27% |
| Equitable Life Mackenzie Founders Income and Growth Fund | 2.66% | 0.10% | 0.60% | 3.45% |
| Equitable Life Mackenzie Saxon Balanced Fund | 2.48% | 0.10% | 0.60% | 3.15% |
| Equitable Life Mackenzie Universal U.S. Emerging Growth Fund | 3.05% | 0.10% | 0.60% | 3.65% |
| Equitable Life MB Canadian Equity Value Fund | 2.15% | 0.10% | 0.60% | 2.90% |
| Equitable Life Quotential Balanced Growth Portfolio | 2.95% | 0.10% | 0.60% | 3.34% |
| Equitable Life Quotential Balanced Income Portfolio | 2.70% | 0.05% | 0.55% | 3.05% |
| Equitable Life Quotential Diversified Income Portfolio | 2.60% | 0.05% | 0.55% | 2.95% |
| Equitable Life Quotential Global Growth Portfolio | 3.15% | 0.10% | 0.60% | 3.56% |
| Equitable Life Quotential Growth Portfolio | 3.00% | 0.10% | 0.60% | 3.40% |
| Equitable Life Quotential Maximum Growth Portfolio | 3.25% | 0.10% | 0.60% | 3.69% |
| Equitable Life Templeton Global Bond Fund | 2.30% | 0.05% | 0.55% | 2.86% |
| Equitable Life Templeton Growth Fund | 2.94% | 0.10% | 0.60% | 3.40% |
| Equitable Life Trimark Europlus Fund | 3.20% | 0.10% | 0.60% | 3.70% |
| Equitable Life Trimark Global Balanced Fund | 2.88% | 0.10% | 0.60% | 3.35% |
| Equitable Life Trimark Income Growth Fund | 2.73% | 0.10% | 0.60% | 3.40% |
| Equitable Life Trimark International Companies Fund | 2.77% | 0.10% | 0.60% | 3.26% |
| Money Market Fund | 1.36% | 0.00% | 0.50% | 1.50% |

The actual Management Expense Ratio for the applicable fiscal year will be reported in the audited Segregated Funds Annual Report, available on or about April 30th of the year following the financial year-end.

We reserve the right to change the Management Fee at any time provided we give you 60 days' written advance notice and certain rights, but guarantee that the Management Fee on the above Pivotal Solutions (No Load) Funds will never exceed 3.25% per annum per Fund. Please refer to the "Fundamental Changes" section for more information on the rights you are entitled to.

The Company reserves the right to change the Insurance Fee, up to the Insurance Fee Limit specified for each Fund, at any time provided we notify you in your subsequent periodic statement. An increase to the Insurance Fee Limit for any of these Funds would result in a Fundamental Change. Please refer to the "Fundamental Changes" section for more information.

II – Pivotal Solutions DSC (Deferred Sales Charges)

| Segregated Fund | Management Fee | Insurance Fee | Insurance Fee Limit | Estimated MER |
|--|----------------|---------------|---------------------|---------------|
| American Growth Fund | 2.35% | 0.40% | 0.60% | 3.32% |
| Asset Allocation Fund | 2.39% | 0.22% | 0.55% | 2.90% |
| Canadian Bond Fund | 1.71% | 0.35% | 0.55% | 2.50% |
| Canadian Stock Fund | 2.14% | 0.40% | 0.60% | 2.90% |
| Equitable Life Active Balanced ETF Portfolio Fund | 1.62% | 0.10% | 0.60% | 2.45% |
| Equitable Life Acuity Canadian Balanced Fund | 2.72% | 0.10% | 0.60% | 3.25% |
| Equitable Life Acuity Diversified Income Fund | 2.40% | 0.10% | 0.60% | 3.40% |
| Equitable Life Acuity Pure Canadian Equity Fund | 2.76% | 0.10% | 0.60% | 3.25% |
| Equitable Life Bissett Dividend Income Fund | 2.35% | 0.31% | 0.55% | 2.94% |
| Equitable Life Dynamic Far East Value Fund | 2.72% | 0.10% | 0.60% | 3.25% |
| Equitable Life Dynamic Power Global Growth Fund | 2.72% | 0.10% | 0.60% | 3.24% |
| Equitable Life Dynamic Value Balanced Fund | 2.46% | 0.10% | 0.60% | 3.20% |
| Equitable Life Invesco Canadian Premier Growth Fund | 2.70% | 0.23% | 0.60% | 3.27% |
| Equitable Life Mackenzie Founders Income and Growth Fund | 2.66% | 0.10% | 0.60% | 3.45% |
| Equitable Life Mackenzie Saxon Balanced Fund | 2.48% | 0.10% | 0.60% | 3.15% |
| Equitable Life Mackenzie Universal U.S. Emerging Growth Fund | 3.05% | 0.21% | 0.60% | 3.65% |
| Equitable Life MB Canadian Equity Value Fund | 2.15% | 0.40% | 0.60% | 2.90% |
| Equitable Life Quotential Balanced Growth Portfolio | 2.95% | 0.13% | 0.60% | 3.34% |
| Equitable Life Quotential Balanced Income Portfolio | 2.70% | 0.07% | 0.55% | 3.05% |
| Equitable Life Quotential Diversified Income Portfolio | 2.60% | 0.09% | 0.55% | 2.95% |
| Equitable Life Quotential Global Growth Portfolio | 3.15% | 0.13% | 0.60% | 3.56% |
| Equitable Life Quotential Growth Portfolio | 3.00% | 0.13% | 0.60% | 3.40% |
| Equitable Life Quotential Maximum Growth Portfolio | 3.25% | 0.13% | 0.60% | 3.69% |
| Equitable Life Templeton Global Bond Fund | 2.30% | 0.26% | 0.55% | 2.86% |
| Equitable Life Templeton Growth Fund | 2.94% | 0.13% | 0.60% | 3.40% |
| Equitable Life Trimark Europlus Fund | 3.20% | 0.13% | 0.60% | 3.70% |
| Equitable Life Trimark Global Balanced Fund | 2.88% | 0.13% | 0.60% | 3.35% |
| Equitable Life Trimark Income Growth Fund | 2.73% | 0.10% | 0.60% | 3.40% |
| Equitable Life Trimark International Companies Fund | 2.77% | 0.10% | 0.60% | 3.26% |
| Money Market Fund | 1.36% | 0.00% | 0.50% | 1.50% |

The actual Management Expense Ratio for the applicable fiscal year will be reported in the audited Segregated Funds Annual Report, available on or about April 30th of the year following the financial year-end.

We reserve the right to change the Management Fee at any time provided we give you 60 days' written advance notice and certain rights, but guarantee that the Management Fee on the above Pivotal Solutions DSC (Deferred Sales Charges) Funds will never exceed 3.25% per annum per Fund. Please refer to the "Fundamental Changes" section for more information on the rights you are entitled to.

The Company reserves the right to change the Insurance Fee, up to the Insurance Fee Limit specified for each Fund, at any time provided we notify you in your subsequent periodic statement. An increase to the Insurance Fee Limit for any of these Funds would result in a Fundamental Change. Please refer to "Fundamental Changes" section for more information.

Surrender Charges

- There are no surrender charges applicable to Pivotal Solutions (No Load) Contracts.
- The following surrender charges are only applicable to Pivotal Solutions DSC Contracts.

A Surrender Charge is a percentage of the value of the units surrendered in a particular Fund. It applies only for 6 years after the date the units of the Funds are allocated to your Contract. It is applied against the value of the units surrendered depending on the number of years since they were allocated to the Funds. Surrender charges are treated as withdrawals for purposes of calculating the guaranteed death and maturity benefits. Surrender charges for Funds transferred within the Contract will be based on the original allocation date.

The order of the units to be surrendered will be on a first acquired, first surrendered basis. Units retained for more than 6 years will not be subject to the surrender charge in the event of surrender for a cash withdrawal.

| <i>Years Since Units Allocated</i> | <i>Surrender Charge</i> |
|--|--------------------------------|
| Less than 1 | 6.0% |
| Less than 2 but greater than or equal to 1 | 5.0% |
| Less than 3 but greater than or equal to 2 | 4.0% |
| Less than 4 but greater than or equal to 3 | 3.0% |
| Less than 5 but greater than or equal to 4 | 2.0% |
| Less than 6 but greater than or equal to 5 | 1.0% |
| Greater than or equal to 6 | nil |

Free Withdrawal Privileges

- Free withdrawal privileges are not applicable to Pivotal Solutions Contracts since there are no surrender charges on withdrawals.
- The following free withdrawal privileges are only applicable to Pivotal Solutions DSC Contracts.

We will permit charge-free withdrawals, scheduled or unscheduled, from the Funds in a calendar year totalling 10% of the Account Value of the Funds for accumulation annuity contracts or 20% for RRIF/LIF, determined as at January 1st of the year in which the withdrawal is made. Unused portions cannot be carried forward to subsequent years.

For Contracts issued after January 1 in any calendar year, in the initial year of the Contract, the 10% charge-free withdrawal for accumulation annuity contracts or 20% for RRIF/LIF is based on the total premiums deposited to the Fund(s) reduced proportionately by the number of units withdrawn or transferred from the Fund(s), as determined at the time of calculation.

The 10% charge-free withdrawal for accumulation annuity contracts or 20% for RRIF/LIF will not apply when the entire Cash Value of the Pivotal Solutions DSC Contract is withdrawn. If a full surrender request is made within 30 days after a 10% charge-free withdrawal for accumulation annuity contracts or 20% for RRIF/LIF is requested, the surrender value will be adjusted to recoup the surrender charges that would have been applied to the charge-free withdrawal.

4. PIVOTAL SOLUTIONS / PIVOTAL SOLUTIONS DSC ACCUMULATION ANNUITY CONTRACTS

Premiums

- A minimum initial premium payment of \$500 annually (\$50 monthly PAC) is required to purchase a Pivotal Solutions / Pivotal Solutions DSC Contract.
- Premium payments (“premiums”) may be deposited up to December 31 of the year in which you reach age 81 subject to minimums and maximums that are determined by us.
- Regular premiums of \$50 or more may be made by monthly pre-authorized payments.
- For Contracts issued where the Annuitant is aged 0 to 16 (“juveniles”), the minimum annual and monthly premiums are \$300 and \$30 respectively.

We reserve the right, at our discretion, to change the minimum premium payment requirement. We reserve the right, at our discretion, to limit the acceptance of new premiums in any one calendar year to a maximum of not more than \$750,000 per Segregated Fund.

In addition, once a year you are entitled to make a premium payment below these minimums to accommodate a situation where you have a small amount of money you wish to invest.

You may invest, subject to the Segregated Fund minimums, in any of the Segregated Funds (the “Fund(s)” or the “Segregated Fund(s)”) available in your Contract. Please refer to the Fund Facts for detailed information regarding the Segregated Funds.

Unless advised by subsequent written notification received by us, all future premiums will be allocated to the same Fund(s) and in the same proportions as the original Premium.

We will send a Confirmation Notice within 30 days of receiving your first premium payment. This Notice will provide the effective date of the Contract and confirm the premium payment made with the application. If you do not receive the Notice, please contact **Individual Customer Service at: 1-800-668-4095**.

Policy years, Policy months and Policy anniversaries will be measured from the effective date of the Contract.

Plan Values

The **Account Value** of your Contract is equal to the sum of the Account Values of the Segregated Funds.

The **Cash Value** of your Contract is equal to:

- (i) the Account Value of the Funds; less
- (ii) any surrender charges, if applicable.

The values are not guaranteed and will fluctuate with the market value of the assets of the Funds.

Asset Rebalancing

- The allocation basis for Asset Rebalancing is based on percentages. You will determine the Segregated Funds to be rebalanced and the percentage to be allocated to each Fund for rebalancing.
- Asset Rebalance percentages can be changed at any time however the sum of the Asset Rebalancing percentages allocated to each of the Segregated Funds must add up to 100%.
- You are not required to rebalance all of the Segregated Funds within your Contract.
- The accumulated value of units in all elected Funds for rebalancing will be re-distributed, based on the frequency you have chosen, in order to re-establish your original Asset Rebalancing percentage allocation to each Fund.

You may select the Automatic Asset Rebalancing feature to occur at one of the following frequencies:

- Monthly

- Quarterly
- Semi-Annually
- Annually

The Company reserves the right to limit the number of changes to percentage reallocations in a calendar year. You may also elect an “End Date” for the Automatic Asset Rebalancing feature to cease.

Internal transfers will occur between each of the elected Funds with the account value of each of the Funds being rebalanced to be in the appropriate percentage ratio when compared to the total value of the Funds. Rebalancing is based on account value, not the number of units.

Only the funds with Asset Rebalance allocations greater than 0% will be rebalanced. This allows you the option to rebalance some of your Segregated Funds while leaving the remaining Fund(s) alone. For example, if there are 3 Segregated Funds within your Contract you may elect to set up Asset Rebalancing allocations on 2 of them (e.g. 60% allocation on Fund 1 and 40% allocation on Fund 2). Fund 3 would be assigned an allocation percent of 0%. Therefore, only Funds 1 and 2 would be rebalanced.

For non-registered Contracts: You may realize capital gains or capital losses resulting from transfers between the Funds in your Contract. These are considered capital dispositions for tax purposes.

Death Benefit Guarantee

In the event of the death of the Annuitant prior to the Maturity Date, we will pay to the designated beneficiary a Death Benefit equal to:

- For Pivotal Solutions Contracts, the greater of (i) or (ii):
- For Pivotal Solutions DSC Contracts, the greatest of (i), (ii) or (iii):
 - (i) the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the date of receipt by the Company of notification of death of the Annuitant;
 - (ii) 100% of all gross premiums deposited to the Contract, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds);
 - (iii) 100% of the Death Benefit Guarantee Base (see “Resets” section below), plus 100% of all gross premiums deposited to the Contract since the last Death Benefit Guarantee Base Reset Date, both reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds).

The effective date of the surrender of units credited to your Contract will be within five (5) business days after we receive notification of the death of the Annuitant in a manner that is satisfactory to the Company. The value of the units surrendered in a particular Fund is equal to the total number of units held times the value of each unit and is based on the Unit Value of the Fund prevailing on the effective date of surrender.

The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Payment of the Death Benefit will terminate the Contract.

Maturity Date

The Maturity Date is the date specified on the application.

- If you did not elect a Maturity Date, the Contract will mature in December of the year the Annuitant reaches age 71 or as required by legislation if your plan is registered.
- A non-registered Contract may be issued to Annuitants prior to age 81. If your Contract is non-registered, the Contract will mature in December of the year the Annuitant reaches age 105 if you did not elect a Maturity Date.
- A TFSA Contract may be issued to Annuitant prior to age 81. The Contract will mature in December of the year the Annuitant reaches age 105.

- At any time prior to the Maturity Date, you may request a change to an earlier Maturity Date, provided that such new Maturity Date shall not be less than 365 days after the date we receive your written request. Your request will be subject to approval by us.

On the Maturity Date, we will provide settlement to the Annuitant as outlined under the Options on Maturity section (not applicable to TFSA).

Maturity Benefit Guarantee

Pivotal Solutions Contracts

Provided the Maturity Date is at least 15 years after the effective date of the Contract, the value of the Maturity Benefit will be equal to the greater of:

- (i) the Cash Value of the Funds based on the Unit Value of the particular Fund in effect on the Maturity Date of the Contract;
- (ii) 75% of all gross premiums deposited to the Contract, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds).

Pivotal Solutions DSC Contracts

Provided the Maturity Date is at least 15 years after the later of the effective date of the Contract and the last Maturity Benefit Guarantee Base Reset Date, the value of the Maturity Benefit will be equal to the greatest of:

- (i) the Cash Value of the Funds based on the Unit Value of the particular Fund in effect on the Maturity Date of the Contract;
- (ii) 75% of all gross premiums deposited to the Contract, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds);
- (iii) 75% of the Maturity Benefit Guarantee Base (see "Resets" section below), plus 75% of all gross premiums deposited to the Contract since the last Maturity Benefit Guarantee Base Reset Date, both reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds).

If the Maturity Date is not at least 15 years after the last Maturity Benefit Guarantee Base Reset Date, the value of the Maturity Benefit Guarantee Base is zero.

For both Pivotal Solutions and Pivotal Solutions DSC Contracts

- If the Maturity Date is not at least 15 years after the effective date of the Contract or last Maturity Benefit Guarantee Base Reset Date, the value of the Maturity Benefit will be the Cash Value of the Funds based on the Unit Value of the particular Fund in effect on the Maturity Date of the Contract.
- Under no circumstances will your maturity guarantee be less than 75% of the gross premiums deposited to the Contract, reduced proportionately by any subsequent withdrawals or surrenders, provided that your policy has been in force for at least 15 years after the effective date of the Contract or last Maturity Benefit Guarantee Base Reset Date, as stated above and that the Maturity Date elected has been reached.
- The Maturity Date will be the effective date of the surrender of the Fund units credited to your Contract. The value of the units surrendered in a particular Fund will be based on the Unit Value of the Fund on the date of surrender.
- The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.
- Payment of the Maturity Benefit will terminate the Contract.

Resets

Pivotal Solutions Contracts

Resets are not available on Pivotal Solutions Contracts.

Pivotal Solutions DSC Contracts

Client-initiated resets for death and maturity benefit guarantees are available on the Pivotal Solutions DSC Contracts upon request from you in writing. The reset option will allow you to lock in the current value of your death and maturity guarantees on the date your Contract is reset ("Reset Date").

At issue, the Guarantee Base is zero and the Reset Date is set equal to the effective date of the Contract. Thereafter, on the Reset Date, the Guarantee Base is set equal to the Account Value of the Funds in effect on the date we receive written instructions from you to reset the guarantees.

You can reset the Maturity Benefit Guarantee Base twice during the life of your Contract, at any time between your first premium and your 81st birthday for non-registered plans and TFSAs, and at any time between your first premium deposit and the end of the year in which you reach age 71 for registered plans. Once the two Maturity Benefit Guarantee Base resets are used, no further Maturity Benefit Guarantee Base resets are available.

You can reset the Death Benefit Guarantee Base twice in each calendar year, at any time between your first premium deposit and your 81st birthday for non-registered plans, and at any time between your first premium deposit and the end of the year in which you reach age 71 for registered plans. Once the two Death Benefit Guarantee Base resets are used in the calendar year, no further Death Benefit Guarantee Base resets are available in that calendar year.

Resets will be permitted provided that the new Guarantee Base is not less than the current Guarantee Base.

If your Account Value has decreased since the last Reset Date and you have made subsequent deposits, it is possible that, by resetting your Contract, the Guarantee Base increases but the Death Benefit decreases (see the example in the table shown in the "Illustrative Guarantee on Death and Maturity" section).

Talk to your Financial Advisor before resetting your Contract, particularly if your Account Value has decreased.

In order for you to reset the Maturity Benefit Guarantee Base, the Maturity Date must be at least fifteen years after the Maturity Benefit Reset Date. In the event that there are less than fifteen years between the Maturity Benefit Reset Date and the Maturity Date, you can request that the Maturity Date be extended as long as your Contract permits. The new Maturity Date must be at least fifteen years later than the Maturity Benefit Guarantee Base Reset Date.

If your Contract is an RRSP/LIRA, your Contract must mature no later than December 31 of the year in which you turn age 71, or as required by the *Income Tax Act* (Canada). You may reset your RRSP/LIRA Maturity Benefit Guarantee Base with less than fifteen years to the Maturity Date, provided the reset Maturity Benefit Guarantee Base extends into an Equitable RRIF/LIF.

When you convert your RRSP/LIRA to an Equitable RRIF/LIF, the Maturity Benefit will convert to an Account Value Fund Guarantee and will be determined 15 years after the last Maturity Benefit Guarantee Base Reset Date (the "Reset Anniversary Date").

On the Maturity Date, the Account Value Fund Guarantee will be equal to the greater of:

- (i) 75% of all gross premiums deposited to the Contract that were immediately or subsequently allocated to the Funds, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds);
- (ii) 75% of the Maturity Benefit Guarantee Base, plus 75% of all gross premiums deposited to the Contract since the Reset Anniversary Date that were immediately or subsequently allocated to the Funds, both reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds).

In the event that you do not convert your RRSP/LIRA into a RRIF/LIF with Equitable Life, the Maturity Benefit payable to you will be calculated with a Maturity Benefit Guarantee Base of zero.

Illustrative Guarantee on Death and Maturity

Example: A Contract is issued on January 1, 2006 with an initial Maturity Date of January 1, 2021.

| | Deposit Amount | Withdrawal | Fund Growth | Contract Value (i) | Net Deposits Since Issue (ii) | Guarantee Base (iii) | Net Deposits Since Reset (iv) | Guaranteed Death Benefit | Guaranteed Maturity Benefit | Maturity Date |
|--------------------------|----------------|------------|-------------|--------------------|-------------------------------|----------------------|-------------------------------|-----------------------------|---|---------------|
| | | | | | | | | Greatest of (i, ii, iii+iv) | Greatest of (i, 75% of ii, 75% of (iii+iv)) | |
| Jan 1, 2006 | 10,000 | 0 | | 10,000 | 10,000 | 0 | 0 | 10,000 | 10,000 | Jan 1, 2021 |
| Jan 1, 2007 | 0 | 0 | 750 | 10,750 | 10,000 | 0 | 0 | 10,750 | 10,750 | Jan 1, 2021 |
| Jan 1, 2008 ¹ | 0 | 0 | 806 | 11,556 | 10,000 | 11,556 | 0 | 11,556 | 11,556 | Jan 1, 2023 |
| Jan 1, 2009 | 0 | 0 | -867 | 10,689 | 10,000 | 11,556 | 0 | 11,556 | 10,689 | Jan 1, 2023 |
| Jan 1, 2010 | 0 | 2,000 | 0 | 8,689 | 8,129 | 9,394 | 0 | 9,394 | 8,689 | Jan 1, 2023 |
| Jan 1, 2011 | 0 | 0 | -652 | 8,037 | 8,129 | 9,394 | 0 | 9,394 | 8,037 | Jan 1, 2023 |
| Jan 1, 2012 | 0 | 0 | -603 | 7,434 | 8,129 | 9,394 | 0 | 9,394 | 7,434 | Jan 1, 2023 |
| Jan 1, 2013 ² | 0 | 0 | 0 | 7,434 | 8,129 | 7,434 | 0 | 8,129 | 7,434 | Jan 1, 2023 |
| Jan 1, 2014 | 2,500 | 0 | 0 | 9,934 | 10,629 | 9,394 | 2,500 | 11,894 | 9,934 | Jan 1, 2023 |
| Jan 1, 2015 ³ | 0 | 0 | 0 | 9,934 | 10,629 | 9,934 | 0 | 10,629 | 9,934 | Jan 1, 2030 |

¹ Contract Reset request on both Maturity Benefit and Death Benefit

² Contract Reset Request – refused, Guarantee Base Unchanged

³ Contract Reset request on both Maturity Benefit and Death Benefit

Notes:

Assumed rate of growth or rate of decline at 7.5%.

Withdrawals reduce the Guarantee Base proportionately.

Resets are requested on January 1, 2008, January 1, 2013 and January 1, 2015.

² The January 1, 2013 reset would not be allowed as the new Guarantee Base would be lower than the current Guarantee Base.

³ The January 1, 2015 reset would result in an increase in the Guarantee Base, but a decrease in the guaranteed death benefit because a reset did not take place in the previous year to lock-in gains from the \$2,500 deposit.

Options on Maturity

If your RRSP/LIRA reaches the Maturity Date as specified under the Maturity Date and Benefit section, and you have not elected a maturity option, we will automatically transfer the Account Value of your RRSP/LIRA to an Equitable RRIF/LIF.

- your RRSP/LIRA will terminate, and your Equitable RRIF/LIF will become effective immediately;
- the Maturity Benefit Guarantee and the Death Benefit Guarantee under your RRSP/LIRA will become the Maturity Benefit Guarantee and the Death Benefit Guarantee of your Equitable RRIF/LIF.

If your Contract is non-registered and an annuity option has not been chosen by the Maturity Date, the Contract will terminate and Option 5 below will automatically apply.

Transfers

Unscheduled Transfers prior to Maturity Date

You may, at any time prior to the Maturity Date, transfer all or a portion of the Account Value under any Fund in the Contract to another Fund within the Contract.

- The minimum transfer amount is \$500.
- We reserve the right to limit the number of unscheduled transfers in any calendar year.
- We reserve the right to charge an administrative fee of 2% of the transfer value of your units from a Fund within 90 days of your acquiring them. This does not apply to regularly scheduled transfers, transfers from Money Market Fund where the units in Money Market Fund were not previously in another Fund during the past 90 days or Asset Rebalancing.

Regular Scheduled Transfers between various Funds

- On any one (1) date from the 1st to the 28th of the month.
- If you have a lump sum deposited into one Fund (for example, a Money Market Fund) and you would like to make regularly scheduled investments into another Fund(s).
- The minimum amount of the regularly scheduled transfer is subject to the administration rules on the date of the transfer.

As each Fund has its own Unit Value, requests for transfers within the Funds will result in the surrender of units in one Fund and the acquisition of units in another Fund.

Except as noted above, there are no other fees charged for transfers.

The effective date of the transfer from the Funds will be within five (5) business days after the date your written request is received by us. The value of the units transferred will be based on the Unit Value of the applicable Fund on the effective date of transfer. **The value of the Fund units surrendered or acquired for a transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.**

Lump Sum Withdrawals

At any time prior to the Maturity Date and provided the funds are not locked-in, you may withdraw all or a portion of the Cash Value of the Contract.

- The minimum cash withdrawal amount is \$500.
- If your Contract is a non-registered Contract, you may request to have regularly scheduled monthly, quarterly, semi-annual or annual withdrawals from your Contract.
- The minimum amount of regularly scheduled withdrawals is subject to current administration rules.

The surrender value is the amount payable upon the surrender (scheduled or unscheduled) of units in your Contract and is equal to the value of the units surrendered less surrender charges, if applicable. The value of the units surrendered and the surrender charge, if any, are normally determined within five (5) business days after the date your written request is received by us. The value of the units surrendered will be based on the Unit Value of the applicable Fund on the effective date of withdrawal.

The value of the Fund units surrendered for a cash withdrawal is not guaranteed and will fluctuate with the market value of the assets of the Funds.

A \$25 fee will apply for each unscheduled withdrawal after the first two (2) cash withdrawals in any calendar year.

Withdrawals reduce guaranteed benefits and amounts available for annuity purchases.

The Contract will terminate on the date the entire Cash Value of the Contract is withdrawn. See also the "Illustrative Guarantee on Death and Maturity" for additional information.

Option to Terminate

Contract Terminations

We reserve the right, upon written notification to you:

- To pay you the Cash Value of the Contract and terminate the Contract if the Cash Value of the Contract is less than \$500.
- To surrender and transfer the full value of the units of a Fund to the Money Market Fund, if the value of the units held in each Fund is less than \$250.
- The effective date of the transfer of units credited to your plan will be the Valuation Date of the applicable Fund coincident with the date we advise you of the transfer.

Fund Discontinuance

We reserve the right to discontinue the use of any Fund provided we give you 90 days' advance written notice:

- If you have accrued units in the discontinued Fund, you may choose to transfer the Account Value to any other Fund.
- After 90 days if no election is made, the Account Value will be automatically transferred to the Money Market Fund.
- The value of the units transferred will be based on the Unit Value of the applicable Fund prevailing on the date of discontinuance of the Fund.

The value of the Fund units surrendered for the termination or transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.

Transfers and surrenders as a result of fund discontinuances and contract terminations are taxable in accordance to the *Income Tax Act* (Canada).

Tax information

This section outlines general tax information as it applies to your Contract. It applies to Canadian residents and is based on the current *Income Tax Act* (Canada).

I. Non-Registered Contracts

The Funds themselves do not have taxable income. Instead, the Funds pass that taxable income on proportionally to all Contract owners in the form of an increase in the value of their units. As a result, you are responsible for reporting any income allocated to you by the Funds in that year. When filing your income tax return, you are required to include information, as allocated to you by a Fund(s), on: (i) capital gains or capital losses, (ii) Canadian dividends, (iii) foreign income and (iv) other Canadian income.

We will allocate to you:

- Capital gains or capital losses arising from the security trading activities of a Fund(s). You may also realize capital gains or capital losses as a result of withdrawals from a Fund(s) or transfers between Funds in your Contract, both of which are considered to be capital dispositions for tax purposes.
- Canadian dividends that reflect the amount of taxable dividends received by a Fund(s) from shares of Canadian resident corporations, received either directly or indirectly through investments in the Fund.
- Foreign income from interest on foreign bonds and dividends on foreign stocks, received either directly or indirectly through investments in a Fund.
- Other Canadian income from interest on a cash portion of a Fund or income on investments such as Canadian bonds or mortgages, received either directly or indirectly through investments in the Fund.

A substitution of an underlying fund is a taxable disposition. Transfers and surrenders as a result of fund discontinuances, or rebalances and contract terminations are taxable dispositions and may result in taxable capital gains or losses being allocated to you.

Please Note: This summary does not include all possible tax considerations and you should consult your personal tax advisor about your individual situation.

II. Registered Contracts

Under section 146 of the *Income Tax Act* (Canada) as a Registered Retirement Savings Plan, the above noted investment income will not be subject to income tax when it is allocated.

- You can accumulate income in your RRSP on a tax-deferred basis up to the Maturity Date of the Contract.
- A tax receipt will be provided, and you can deduct the premiums paid by you into your RRSP from your taxable income, up to a maximum annual amount determined by the *Income Tax Act* (Canada).
- Transfers between Funds in your RRSP are not taxable.
- Should you withdraw cash from your RRSP you must pay tax according to the *Income Tax Act* (Canada) on the amount that you have withdrawn. We will withhold tax on such withdrawals according to the *Income Tax Act* (Canada).

Spousal RRSPs

If your spouse or common-law partner makes contributions to an RRSP owned by you, it is a Spousal RRSP.

- You are the owner and the Annuitant.
- Contributions made by your spouse or common-law partner may be deducted from their taxable income, up to a maximum amount determined by the *Income Tax Act* (Canada).
- Should you withdraw cash from your spousal Contract, your spouse or common-law partner may have to pay tax on the amount withdrawn. This will be dependent on the amount withdrawn to the extent of the contributions made to this Contract by your spouse or common-law partner or any other spousal RRSP in the current or two immediately preceding taxation years.
- Any amount withdrawn in excess of deposits by your spouse or common-law partner to this or any other spousal RRSP during this period will be taxable to you. We will withhold tax on such withdrawals according to the *Income Tax Act* (Canada).

Tax-Free Savings Account

Under section 146.2 of the *Income Tax Act* (Canada) as a Tax-Free Savings Account (TFSA), the above noted investment income will not be subject to income tax when it is allocated. Cash withdrawals are also tax-free. Withdrawals made from your TFSA in the year are eligible to be added back to your TFSA contribution room at the beginning of the following year by CRA. . Such withdrawals, if re-contributed in the same taxation year may result in substantial penalties imposed by CRA.

Please Note: This summary does not include all possible tax considerations and you should consult your personal tax advisor about your individual situation.

Registration of the Contract

(a) Retirement Savings Plan

In order to register the Contract under section 146 of the *Income Tax Act* (Canada) as a Registered Retirement Savings Plan, certain of its regular contractual benefits may be required to be modified under the terms of an endorsement or Addendum upon registration. A Pivotal Solutions/Pivotal Solutions DSC Contract is one of a number of different vehicles for the accumulation of retirement income. Registered annuity contracts may be more suitable as a means of long duration, rather than short duration, investment.

Before registering your Pivotal Solutions/ Pivotal Solutions DSC Contract, fully discuss all aspects of registration with your financial advisor.

If the plan becomes a Registered Retirement Savings Plan (RRSP), you will also receive a tax receipt for premiums paid in the year. You will not receive a tax receipt for direct transfers from another registered plan(s).

(b) Tax-Free Savings Account

In order to register the Contract under section 146.2 of the *Income Tax Act* (Canada) as a Tax-Free Savings Account, certain of its regular contractual benefits are required to be modified under the terms of an endorsement or Addendum upon registration.

Please refer to the provisions of the Tax-Free Savings Account Addendum that forms part of the Pivotal Solutions/ Pivotal Solutions DSC Contract.

Locked-in Funds (if applicable)

In the event that locked-in pension plan funds are held under the Contract, the funds will remain locked-in and shall be administered in accordance with the applicable pension legislation of the jurisdiction where the pension funds originated.

Please refer to the provisions of any locking-in Addendum that may form part of the Pivotal Solutions/ Pivotal Solutions DSC Contract.

Periodic Statements

You will receive periodically, but not less frequently than annually, a statement of the current financial status of your Contract. Upon receipt of your statement, check for correctness of the information. For any discrepancy, contact your advisor/broker or call Individual Customer Service at: 1-800-668-4095.

The statement will contain the following information:

- a) the Account Value of the Contract;
- b) the Account Value of each Fund (including the number of Units and Unit Value for the Funds);
- c) the amount of premiums paid for the period;
- d) any transfers in or transfers out;
- e) the cash withdrawals made during the period;
- f) the cash value of the Contract.

Current Fund Facts information for each of the Segregated Funds can be accessed electronically at www.equitable.ca or a printed version will be provided upon request.

Once a year, we will provide you with a notice, which will explain how you may access electronically or request a printed copy of the audited Segregated Funds Annual Report as at December 31 of the previous year, which includes the audited financial statements, management expense ratios, changes to insurance fee within insurance fee limit and rates of return, calculated on a net basis for each fund.

The most recent audited Segregated Funds Annual Report or unaudited Segregated Funds Semi-Annual Report issued by the Company can be accessed electronically at www.equitable.ca or the current printed version will be provided upon request. The Company publishes the audited Annual Segregated Funds Report and posts it to its website on or before April 30th each year for the prior fiscal year end results and the unaudited Segregated Funds Semi-Annual Report on or before September 30th each year for the prior 12-month period.

Detailed information, including a simplified prospectus, Annual Information Form (AIF) and audited financial statements, on the underlying funds are available upon request.

5. PIVOTAL SOLUTIONS / PIVOTAL SOLUTIONS DSC RETIREMENT INCOME FUND (RIF)

General

A RIF is a vehicle into which Registered Retirement Savings Plan (RRSP) funds may be deposited for:

- i) payment of income to you and
- ii) continued tax-sheltered accumulation of the balance.

A RIF gives you the freedom to choose both the amount of income you will receive in any year and how the remaining balance will be invested.

To qualify as a RIF, your plan must be registered with Canada Revenue Agency.

No loans, assignments or third party ownerships are allowed.

Spouse includes common-law partner as defined in the *Income Tax Act* (Canada).

Issue Age

A Pivotal Solutions/ Pivotal Solutions DSC RIF will be issued for any age up to 81.

An RRSP must be transferred to an immediate annuity, or a RRIF, or surrendered prior to the end of the year in which the Annuitant attains the age limit for maturing RRSPs as stated in the *Income Tax Act* (Canada). Therefore, any funds deposited to a RRIF after the age limit would have to have been transferred from an already existing RRIF.

Premiums

Flexibility is an important feature of the Contract.

- There are no scheduled premiums.
- The minimum premium payment required to start a Pivotal Solutions/ Pivotal Solutions DSC RIF is \$10,000. We reserve the right, at our discretion, to change the minimum premium payment requirement.
- We reserve the right, at our discretion, to limit the acceptance of new premiums in any one calendar year to a maximum of not more than \$750,000 per Segregated Fund.

Eligible premiums to a RRIF include amounts transferred from:

- 1) An RRSP under which the owner is the Annuitant
- 2) Another RRIF under which the owner is the Annuitant
- 3) An RRSP of the spouse of the owner as "refund of premiums" per the *Income Tax Act* (Canada)
- 4) An RRSP of an annuitant who is dependent on the owner by reason of physical or mental infirmity as a "refund of premiums"
- 5) An RRSP or RRIF of the spouse or the former spouse of the owner, on or after marriage breakdown per the *Income Tax Act* (Canada)
- 6) A Registered Pension Plan (RPP) under which the funds are not locked-in
- 7) A prescribed provincial plan to which the *Income Tax Act* (Canada) 146(21) applies
- 8) A DPSP in accordance with subsection 147(19) of the *Income Tax Act* (Canada)

Unless advised by subsequent written notification received by us, all future transfers received will be allocated to the same Fund(s) and in the same proportions as the original Premium.

We will send a Confirmation Notice within 30 days of receiving the first premium payment. If you do not receive the Notice, please contact: **Individual Customer Service at: 1-800-668-4095.**

Plan Values

The **Account Value** of your Contract is the sum of the Account Value of each Fund.

The **Cash Value** of your Contract is equal to:

- (i) the Account Value of the Funds; less
- (ii) any surrender charges, if applicable.

The values are not guaranteed and will fluctuate with the market value of the assets of the Funds.

Asset Rebalancing

- The allocation basis for Asset Rebalancing is based on percentages. You will determine the Segregated Funds to be rebalanced and the percentage to be allocated to each Fund for rebalancing.
- Asset Rebalance percentages can be changed at any time however the sum of the Asset Rebalancing percentages allocated to each of the Segregated Funds must add up to 100%.
- You are not required to rebalance all of the Segregated Funds within your Contract.
- The accumulated value of units in all elected Funds for rebalancing will be re-distributed, based on the frequency you have chosen, in order to re-establish your original Asset Rebalancing percentage allocation to each Fund.

You may select the Automatic Asset Rebalancing feature to occur at one of the following frequencies:

- Monthly
- Quarterly
- Semi-Annually
- Annually

The Company reserves the right to limit the number of changes to percentage reallocations in a calendar year. You may also elect an "End Date" for the Automatic Asset Rebalancing feature to cease.

Internal transfers will occur between each of the elected Funds with the account value of each of the Funds being Rebalanced to be in the appropriate percentage ratio when compared to the total value of the Funds. Rebalancing is based on account value, not the number of units.

Only the funds with Asset Rebalance allocations greater than 0% will be rebalanced. This allows you the option to rebalance some of your Segregated Funds while leaving the remaining Fund(s) alone. For example, if there are 3 Segregated Funds within your Contract you may elect to set up Asset Rebalancing allocations on 2 of them (e.g. 60% allocation on Fund 1 and 40% allocation on Fund 2). Fund 3 would be assigned an allocation percent of 0%. Therefore, only Funds 1 and 2 would be rebalanced.

Initial Income Date

You elect the initial income date (any day of the month between the 1st and 28th). Your first retirement payment is made on this date, and subsequent payments on the same day of each period thereafter. Retirement income payments may start at any time after issue but must start no later than the end of the calendar year after the year your Pivotal Solutions/ Pivotal Solutions DSC RIF was purchased.

Once the initial income date has been elected, it cannot subsequently be changed.

Retirement Income Payment Options

You elect the type and frequency of income payments. Available options are:

- a) Required Minimum Payment;
- b) the greater of a) above and a selected Flat Dollar Amount; or
- c) the greater of a) above and a selected Flat Dollar Amount Indexed Annually.

- There is no required minimum payment in the year of purchase. Therefore, the required minimum payment option cannot be elected to commence during the first year.
- Payment options can be paid monthly, annually, quarterly, or semi-annually as elected by you.
- A retirement income payment cannot be greater than the value of your Contract.
- Retirement income payments will be withdrawn from the Funds in an order determined by the Company from time to time.

The value of the Fund units surrendered for a Retirement Income Payment is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Minimum Withdrawal Rules

According to government legislation, a prescribed minimum amount must be paid out of the Contract each year, starting in the second calendar year of the Contract. The minimum payout schedule is provided below.

The minimum annual payment is nil for the calendar year in which the Contract was purchased. For each subsequent calendar year, prior to the annuitant's age 71, the minimum annual payment is calculated based on the January 1st Account Value of the Contract divided by the number of years that is the difference between age 90 and the number that is, or would be, the age in whole years of the annuitant (or the annuitant's spouse, if elected at issue) at the beginning of the year.

Beginning from age 71 the minimum payment is calculated by multiplying the January 1st Value of the Contract by the applicable percentage below:

| <i>Age</i> | <i>Percentage</i> | <i>Age</i> | <i>Percentage</i> | <i>Age</i> | <i>Percentage</i> |
|------------|-------------------|------------|-------------------|------------|-------------------|
| 71 | 7.38 | 79 | 8.53 | 87 | 11.33 |
| 72 | 7.48 | 80 | 8.75 | 88 | 11.96 |
| 73 | 7.59 | 81 | 8.99 | 89 | 12.71 |
| 74 | 7.71 | 82 | 9.27 | 90 | 13.62 |
| 75 | 7.85 | 83 | 9.58 | 91 | 14.73 |
| 76 | 7.99 | 84 | 9.93 | 92 | 16.12 |
| 77 | 8.15 | 85 | 10.33 | 93 | 17.92 |
| 78 | 8.33 | 86 | 10.79 | 94 + | 20.00 |

Lump Sum Withdrawals

In addition to scheduled retirement income payments, you may from time to time elect lump sum withdrawals.

- The minimum lump sum withdrawal amount is \$500.
- The amount remaining in each Fund after a lump sum withdrawal must be at least equal to the minimum new premium acceptable.
- Handling charges, as determined by us, may apply.

The effective date of the surrender from the Funds will be within five (5) business days after the date your written request is received by us.

- The value of the units surrendered in a particular Fund will be based on the Unit Value of the applicable Fund on the effective date of surrender.
- The value of the Fund units surrendered for a cash withdrawal is not guaranteed and will fluctuate with the market value of the assets of the Funds.
- The surrender value is the amount payable upon the surrender (scheduled or unscheduled) of units in your Contract and is equal to the value of the units surrendered less surrender charges, if applicable.
- There are no additional fees charged for the first two (2) cash withdrawals from any investment option under the Contract in any calendar year. A \$25 fee will apply for each withdrawal thereafter.
- Applicable withholding tax will be deducted by us and remitted to Canada Revenue Agency.

Withdrawals reduce guaranteed benefits and amounts available for annuity purchases.

The Contract will terminate on the date the entire Cash Value of the Contract is withdrawn.

Transfers

1) Transfers to another carrier

Amounts from your RRIF may be transferred to a RRIF of another company as permitted by the *Income Tax Act* (Canada).

- Any such transfers are based on the Cash Value of your Contract.
- The effective date of the transfer from the Funds will be within five (5) business days after the date your written request is received by us.
- The value of the units transferred in a particular Fund will be based on the Unit Value of the applicable Fund on the effective date of transfer. **The value of the Fund units surrendered or acquired for a transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.**

2) Transfers between Funds

You may, at any time, transfer all or a portion of the Account Value under any Fund in the Contract to another Fund within the Contract.

- The minimum transfer amount is \$500 and is subject to Fund minimum premium requirements.
- We reserve the right to limit the number of unscheduled transfers in any calendar year.
- We reserve the right to charge an administrative fee of 2% of the transfer value of your units from a Fund within 90 days of your acquiring them. This does not apply to regularly scheduled transfers, transfers from Money Market Fund where the units in Money Market Fund were not previously in another Fund during the past 90 days or Asset Rebalancing.
- You may arrange to make regular monthly transfers between various Funds on any one (1) date from the 1st to the 28th of the month. You can arrange for scheduled transfers if you have a lump sum deposited into one Fund (for example, a Money Market Fund) and you would like to make regularly scheduled investments into another Fund(s).
- The minimum amount of the regularly scheduled transfer is subject to the administration rules in effect on the date of the transfer.
- As each Fund has its own Unit Value, requests for transfers within the Funds will result in the surrender of units in one Fund and the acquisition of units in another Fund.
- Except as noted above, there are no other fees charged for transfers.
- The effective date of the transfer from the Funds will be within five (5) business days after the date your written request is received by us.
- The value of the units transferred in a particular Fund will be based on the Unit Value of the applicable Fund on the effective date of transfer. **The value of the Fund units surrendered or acquired for a transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.**

Maturity Benefit Guarantee

If a maturity date is not required by the applicable legislation, the Contract will mature in December of the year the Annuitant reaches age 105.

You may request a maturity date provided that such maturity date shall not be less than 365 days after the date we receive your written request. Such request shall be subject to approval by us.

The value of the Maturity Benefit will be the sum of:

- a) the Cash Value of the Contract; and
- b) provided the maturity date is at least 15 years after the effective date of the Contract, the amount by which (i) exceeds (ii) below:
 - (i) 75% of all gross premiums deposited to the Contract; reduced proportionately by surrenders or cash withdrawals from the Funds (no reduction on transfers between Funds);
 - (ii) the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the maturity date of the Contract.

Under no circumstances will your maturity guarantee be less than 75% of the gross premiums deposited to the Contract, reduced proportionately by any subsequent withdrawals, provided that your policy has been in force for at least 15 years as stated under (b) above and that the maturity date elected has been reached.

The surrender of Fund units will be the maturity date of the Contract. The value of units acquired or surrendered in a particular Fund is determined by dividing the premium allocated to the Fund by the Unit Value of the respective Fund prevailing at the date of maturity.

The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Payment of the Maturity Benefit will terminate the Contract.

Account Value Top-up

- Account Value Top-up is not applicable to Pivotal Solutions RIF Contract.
- Account Value Top-up is only applicable to Pivotal Solutions DSC RIF Contract.

If your RRIF was converted from an Equitable RRSP and you reset the Maturity Benefit Guarantee Base in your RRSP with less than fifteen years to the maturity of that Contract with the intention of extending the guarantees into the RRIF, then you may qualify for an Account Value Top-up.

On the fifteenth anniversary of the last Maturity Benefit Guarantee Base Reset Date in your RRSP (described as the Reset Anniversary Date in your RRSP), the Account Value Top-up will be added to the Account Value of your Contract. The Account Value Top-up is equal to the amount by which (i) exceeds (ii), but is never less than zero, where

- (i) is the Account Value Fund Guarantee transferred from the RRSP, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds);
- (ii) is the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the fifteenth anniversary of the reset date.

The Account Value Top-up will be added to the Money Market Fund.

Death Benefit Guarantee

You may provide that retirement income payments continue to your spouse after your death by providing written instructions to us either as part of your Contract or by a Will.

If such a provision is not made, in the event of the death of the Annuitant prior to the termination of the Contract, we will pay to the designated beneficiary a Death Benefit equal to the sum of:

- the Account Value of the Contract; and
- the amount by which (i) exceeds (ii) below:
 - (i) 100% of all gross premiums deposited to the Contract, reduced proportionately by surrenders or cash withdrawals from the Funds (no reduction on transfers between Funds);
 - (ii) the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the date of receipt by the Company of notification of death of the Annuitant.

The effective date of the surrender of units credited to your Contract will be within five (5) business days after we receive notification of the death of the Annuitant in a manner that is satisfactory to the Company. The value of the units surrendered in a particular Fund is equal to the total number of units held times the value of each unit and is based on the Unit Value of the Fund prevailing on the effective date of surrender.

The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Payment of the Death Benefit will terminate the Contract.

Illustrative Guarantee on Death and Maturity

| Example Number | Deposit Amount | Contract Value | Amount Withdrawn | 100% Death Guarantee | 75% Maturity Guarantee | Death Benefit | Maturity Benefit |
|----------------|----------------|----------------|------------------|----------------------|------------------------|---------------|------------------|
| 1 | \$10,000 | \$20,610* | \$5,000 | \$ 7,574*** | \$ 5,680 | \$15,610 | \$15,610 |
| 2 | \$20,000 | \$19,444** | none | \$20,000 | \$15,000 | \$20,000 | \$19,444 |
| 3 | \$20,000 | \$19,444** | \$5,000 | \$14,857*** | \$11,143 | \$14,857 | \$14,444 |

* assumed unit values increased uniformly at 7.5% per annum

** assumed unit values increased uniformly to the 5th year, then decreased uniformly at 7.5% per annum

*** proportionately reduced by amount withdrawn

Option to Terminate

Contract Terminations

We reserve the right, upon written notification to you:

- To pay you the Cash Value of the Contract and terminate the Contract if the Cash Value of the Contract is less than \$10,000.
- The value of the units surrendered is not guaranteed but will be based on the Unit Value of the applicable Fund on the date we advise you that the Contract is to be terminated.

Fund Discontinuance

We reserve the right to discontinue the use of any Fund provided we give you 90 days' advance written notice.

- If you have accrued units in the discontinued Fund, you may choose to transfer the Account Value to any other Fund.
- After 90 days if no election is made, the Account Value will be automatically transferred to the Money Market Fund.
- The value of the units transferred will be based on the Unit Value of the applicable Fund prevailing on the date of discontinuance of the Fund.

The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Transfers and surrenders as a result of fund discontinuances and Contract terminations are taxable in accordance to the *Income Tax Act* (Canada).

Periodic Statements

You will receive periodically, but not less frequently than annually, a statement of the current financial status of your Contract. Upon receipt of your statement, check for correctness of the information. For any discrepancy, contact your advisor/broker or call Individual Customer Service at: 1-800-668-4095.

The statement will contain the following information:

- a) the amount, if any, transferred in during the period
- b) the number of units and unit value for the Funds, for the past period
- c) the amount of payments made and transfers out
- d) the balance of your Contract at the beginning of the year
- e) the minimum amount that must be taken out during the next year.

Current Fund Facts information for each of the Segregated Funds can be accessed electronically at www.equitable.ca or a printed version will be provided upon request.

Once a year, we will provide you with a notice, which will explain how you may access electronically or request a printed copy of the audited Segregated Funds Annual Report as at December 31 of the previous year, which includes the audited financial statements, management expense ratios, changes to insurance fee within insurance fee limit and rates of return, calculated on a net basis for each fund.

The most recent audited Segregated Funds Annual Report or unaudited Segregated Funds Semi-Annual Report issued by the Company can be accessed electronically at www.equitable.ca or the current printed version will be provided upon request. The Company publishes the audited Annual Segregated Funds Report and posts it to its website on or before April 30th each year for the prior fiscal year end results and the unaudited Segregated Funds Semi-Annual Report on or before September 30th each year for the prior 12-month period.

Detailed information, including a simplified prospectus, Annual Information Form (AIF) and audited financial statements, on the underlying funds are available upon request.

Taxation

The following is a brief description of how the *Income Tax Act* (Canada) applies to your RRIF as at the date this Information Folder was prepared. Please consult your agent or tax specialist for more specific information.

Taxation of Retirement Income Payments

- Retirement income paid to you is fully taxable in the year received.
- Payments in excess of the required minimum payment will have tax withheld, at the prescribed percentages in accordance with the *Income Tax Act* (Canada).
- A tax slip for all regular payments, lump sum withdrawals, and applicable withholding tax will be prepared at year-end.

Taxation on Death

- Where you have elected that retirement income payments continue to your spouse, the payments are fully taxable to your surviving spouse as received.
- Where retirement income payments do not continue to your spouse, the Death Benefit must be paid to your Beneficiary.

If your Beneficiary is:

- i) your spouse, the Death Benefit is taxable to your spouse in the year of receipt and not to you.
- ii) your child or grandchild, the Death Benefit will be included in their income to the extent that the payment qualifies as a refund of premiums if paid under an RRSP.

Refund of Premiums

- Amounts that qualify as a refund of premiums are excluded from your income.
- Any payment not qualifying as a refund of premiums to your child or grandchild, or not receivable by your spouse, will be taxable to you in the year of death.

6. PIVOTAL SOLUTIONS / PIVOTAL SOLUTIONS DSC LIFE INCOME FUND (LIF)

General

- A LIF is a payout option made available under pension legislation. Most provinces have their own legislation with regards to LIF and Pension funds.
- A LIF must qualify as a Registered Retirement Income Fund (RRIF) under the *Income Tax Act* (Canada).
- A LIF is a vehicle into which Registered Pension Plans (RPP), Locked-in Registered Retirement Savings Plans (LIRRSPP) or Locked-in Retirement Accounts (LIRA) may be deposited.
- In accordance with government regulations, there are prescribed minimum and maximum payment guidelines, which must be followed.
- Spousal rights are preserved when locked-in benefits are transferred to a LIF. Provincial legislation requires that your spouse complete a waiver/consent form before the proceeds can be transferred to a LIF.
- Spouse includes common-law partner as defined in the applicable legislation.
- When a LIF is converted to an annuity, the annuity must provide for a joint and survivor annuity benefit in compliance with provincial legislation, unless the spouse completes a waiver form.
- LIF funds cannot be cashed out in a lump sum, unless allowed by applicable legislation.
- You may transfer any or all assets of the LIF to another LIF, to an immediate annuity or to a Locked-in RRSP or LIRA, but subject to the maximum age limit for maturing RRSPs as stated in the *Income Tax Act* (Canada).
- No loans, assignments or third party ownerships are allowed.

Issue Ages

The minimum issue age is dependent on the applicable provincial legislation (based on the source of the pension) but is generally age 55.

Premiums

Flexibility is an important feature of the plan.

- There are no scheduled premiums.
- The minimum premium payment required to start a Pivotal Solutions/ Pivotal Solutions DSC LIF is \$10,000 in total. We reserve the right, at our discretion, to change the minimum premium payment requirement.
- We reserve the right, at our discretion, to limit the acceptance of new premiums in any one calendar year to a maximum of not more than \$750,000 per Segregated Fund.

Eligible premiums to a LIF include amounts transferred from:

- 1) Registered Pension Plans (RPP),
- 2) Locked-in Registered Retirement Savings Plans (LIRRSPP),
- 3) Locked-in Retirement Accounts (LIRA), under which the owner is the Annuitant.

Unless advised by subsequent written notification received by us, all future Premiums will be allocated to the same fund(s) and in the same proportions as the original Premiums.

We will send a Confirmation Notice within 30 days of receiving the first Premium payment. If you do not receive the Notice, please contact: **Individual Customer Service at: 1-800-668-4095.**

Plan Values

The **Account Value** of your Contract is the sum of the Account Value of each Fund.

The **Cash Value** of your Contract is equal to:

- (i) the Account Value of the Funds; less
- (ii) any surrender charges, if applicable.

The values are not guaranteed and will fluctuate with the market value of the assets of the Funds.

Asset Rebalancing

- The allocation basis for Asset Rebalancing is based on percentages. You will determine the Segregated Funds to be rebalanced and the percentage to be allocated to each Fund for rebalancing.
- Asset Rebalance percentages can be changed at any time however the sum of the Asset Rebalancing percentages allocated to each of the Segregated Funds must add up to 100%.
- You are not required to rebalance all of the Segregated Funds within your Contract.
- The accumulated value of units in all elected Funds for rebalancing will be re-distributed, based on the frequency you have chosen, in order to re-establish your original Asset Rebalancing percentage allocation to each Fund.

You may select the Automatic Asset Rebalancing feature to occur at one of the following frequencies:

- Monthly
- Quarterly
- Semi-Annually
- Annually

The Company reserves the right to limit the number of changes to percentage reallocations in a calendar year. You may also elect an "End Date" for the Automatic Asset Rebalancing feature to cease.

Internal transfers will occur between each of the elected Funds with the account value of each of the Funds being Rebalanced to be in the appropriate percentage ratio when compared to the total value of the Funds. Rebalancing is based on account value, not the number of units.

Only the funds with Asset Rebalance allocations greater than 0% will be rebalanced. This allows you the option to rebalance some of your Segregated Funds while leaving the remaining Fund(s) alone. For example, if there are 3 Segregated Funds within your Contract you may elect to set up Asset Rebalancing allocations on 2 of them (e.g. 60% allocation on Fund 1 and 40% allocation on Fund 2). Fund 3 would be assigned an allocation percent of 0%. Therefore, only Funds 1 and 2 would be rebalanced.

Initial Income Date

You elect the initial income date (any day of the month between the 1st and 28th). Retirement income payments may start at any time after issue but must start no later than the end of the calendar year after the year your LIF was purchased. There is no required minimum payment in the year of purchase.

Once the initial income date has been elected, it cannot subsequently be changed.

Retirement Income Payment Options

You elect the type and frequency of income payments. Available options are:

- (a) Required minimum payment;
 - (b) the greater of (a) above and a selected Flat Dollar Amount;
 - (c) the greater of (a) above and a selected Flat Dollar Amount Indexed Annually; or
 - (d) the Maximum Payment.
- All retirement income payments are subject to the minimum and maximum withdrawal rules as described below.
 - The required minimum payment option cannot be elected to commence during the first year.
 - Payment options can be paid monthly, annually, quarterly or semi-annually as elected by you.
 - If you do not elect a payment option for the year, the minimum amount, as calculated below, shall be deemed to be the amount paid.
 - A retirement income payment cannot be greater than the Cash Value of your Contract.
 - Retirement income payments will be withdrawn from the Funds in the order indicated on the application.

The value of the Fund units surrendered for a Retirement Income Payment is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Minimum Withdrawal Rules

Starting in the second calendar year of the Contract, according to government legislation, a prescribed minimum amount must be paid out of the Contract each year.

The minimum annual payment is nil for the calendar year in which the Contract was purchased. For each subsequent calendar year, prior to the Annuitant's age 71, the minimum annual payment is calculated based on the January 1st Account Value of the Contract divided by the number of years that is the difference between age 90 and the number that is, or would be, the age in whole years of the Annuitant at the beginning of the year.

After age 71, the minimum payment is calculated by multiplying the January 1st Account Value of the Contract by the applicable percentage (please refer to the table of percentages in the RIF section entitled "Minimum Withdrawal Rules").

Maximum Withdrawal Rules

In addition to the minimum withdrawal rules, provincial pension benefits legislation imposes a maximum amount which can be withdrawn each year. These rules were designed to ensure sufficient funds remain in the LIF to achieve the purpose of a life income fund.

The maximum withdrawal is calculated at the beginning of each calendar year. The maximum annual withdrawal is calculated based on:

- (i) the Account Value of the Contract at the beginning of each calendar year, divided by
- (ii) the value of a pension of which the annual payment is \$1.00 payable at the beginning of each year between that date and the 31st day of December of the year in which the Annuitant reaches age 90.

The maximum will change each year depending on the interest rates and investment returns available at that time. The interest rate used to determine the value of (ii) above has certain restrictions determined by the applicable legislation.

For the initial calendar year in which the Contract was purchased, the maximum annual payment shall be adjusted in proportion to the number of months in that fiscal year divided by twelve (12), with any part of an incomplete month counting as one month.

We are responsible for determining the minimum and maximum amounts each year, providing this information to you, and ensuring compliance within the limits.

Lump Sum Withdrawals

In addition to the scheduled retirement income payments, you may from time to time elect to take a lump sum withdrawal.

- The withdrawal amount plus all regularly scheduled retirement income payments may not exceed the maximum withdrawal amount for the calendar year as described in the "Maximum Withdrawal Rules" section.
- The minimum lump sum withdrawal amount is \$500. Handling charges, as determined by us, may apply.

The surrender value is the amount payable upon the surrender of units in your Contract less surrender charges, if applicable.

- The effective date of the surrender from the Funds will be within five (5) business days after the date your written request is received by us.
- The value of the units surrendered in a particular Fund will be based on the Unit Value of the applicable Fund on the effective date of surrender. **The value of the Fund units surrendered for a cash withdrawal is not guaranteed and will fluctuate with the market value of the assets of the Funds.**
- There are no additional fees charged for the first two (2) cash withdrawals from any investment option under the Contract in any calendar year. A \$25 fee will apply for each withdrawal thereafter.

- Applicable withholding tax will be deducted by us and remitted to Canada Revenue Agency.

Withdrawals reduce guaranteed benefits and amounts available for annuity purchases.

The Contract will terminate on the date the entire Cash Value of the Contract is withdrawn.

Transfers

1) Transfers to Another Carrier

Prior to using the balance of the Contract to purchase an annuity, you may transfer all or part of the balance of the Contract to any combination of:

- i) another LIF, if such Contract complies with applicable legislation,
- ii) a Locked-in RRSP or LIRA, where applicable, provided that the transfer is prior to the end of the year in which you attain the maximum age limit as stated in the *Income Tax Act* (Canada) and provided applicable legislation allows, or
- iii) another retirement income arrangement which complies with applicable legislation.

Any such transfers are based on the Cash Value of your Contract.

The effective date of the transfer from the Funds will be within five (5) business days after the date your written request is received by us. The value of the units transferred in a particular Fund will be based on the Unit Value of the applicable Fund on the effective date of transfer.

The value of the Fund units surrendered or acquired for a transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.

2) Transfers Between Funds

You may, at any time, transfer all or a portion of the Account Value under any Fund in the Contract to another Fund within the Contract.

- The Minimum transfer amount is \$500 and is subject to Fund minimums.
- As each Fund has its own Unit Value, requests for transfers within Funds will result in the surrender of units in one Fund and the acquisition of units in another Fund. Please refer to the "Segregated Funds" section, for more information.
- We reserve the right to limit the number of unscheduled transfers in any calendar year.
- If you prefer, you may arrange to make regular scheduled transfers between various Funds on any one (1) date from the 1st to the 28th of the month. You can arrange for scheduled transfers if you have a lump sum deposited into one Fund (for example, a Money Market Fund) and you would like to make regularly scheduled investments into another Fund(s).
- The minimum amount of the regularly scheduled transfer is subject to the current administration rules.
- We reserve the right to charge an administrative fee of 2% of the transfer value of your units from a Fund within 90 days of your acquiring them. This does not apply to regularly scheduled transfers, transfers from Money Market Fund where the units in Money Market Fund were not previously in another Fund during the past 90 days and Asset Rebalancing.
- Except as noted above, there are no other fees charged for transfers.
- The effective date of the transfer from the Funds will be within five (5) business days after the date your written request is received by us.
- The value of the units transferred will be based on the Unit Value of the applicable Fund on the effective date of transfer. **The value of the Fund units surrendered for a transfer is not guaranteed and will fluctuate with the market value of the assets of the particular Fund.**

Maturity Date and Maturity Benefit Guarantee

The Maturity Date will be in accordance with applicable legislation. However, if a maturity date is not required by applicable legislation, the Contract will mature in December of the year the Annuitant reaches age 105.

You may request a Maturity Date provided that such Maturity Date shall not be less than 365 days after the date we receive your written request and shall comply with applicable provincial pension legislation. Such request shall be subject to approval by us.

- On the Maturity Date, we will provide you with an immediate annuity for your lifetime.
- When the LIF is converted to an annuity, the annuity must provide for a joint and survivor annuity benefit in compliance with provincial legislation, unless the spouse completes a waiver form.
- If you have not elected an annuity option by the Maturity Date of the Contract, you will be deemed to have purchased an immediate life annuity, effective as of such date, in accordance with applicable provincial pension legislation.
- We will require proof of your age and your spouse's age (if a joint and survivor annuity is elected).

The value of the Maturity Benefit will be the sum of:

- a) the Cash Value of the Contract; and
- b) provided the Maturity Date is at least 15 years after the effective date of the Contract, the amount by which (i) exceeds (ii) below:
 - (i) 75% of all gross premiums deposited to the Contract; reduced proportionately by surrenders or cash withdrawals from the Funds (no reduction on transfers between Funds);
 - (ii) the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the Maturity Date of the Contract.

Under no circumstances will your maturity guarantee be less than 75% of the gross premiums deposited to the Contract, reduced proportionately by any subsequent withdrawals, provided that your policy has been in force for at least 15 years as stated under (b) above and that the maturity date elected has been reached.

The surrender of Fund units will be the Maturity Date of the Contract. The value of units acquired or surrendered in a particular Fund is determined by dividing the premium allocated to the Fund by the Unit Value of the respective Fund prevailing at the date of maturity.

The value of the Fund units surrendered is not guaranteed and will fluctuate with the market value of the assets of the Funds.

Payment of the Maturity Benefit will terminate the Contract.

Account Value Top-up

- Account Value Top-up is not applicable to Pivotal Solutions LIF Contract.
- Account Value Top-up is only applicable to Pivotal Solutions DSC LIF Contract.

If your LIF was converted from an Equitable Locked-In Retirement Account (LIRA) and you reset the Maturity Benefit Guarantee Base in your LIRA with less than fifteen years to the maturity of that Contract with the intention of extending the guarantees into the LIF, then you may qualify for an Account Value Top-up.

On the fifteenth anniversary of the last Maturity Benefit Guarantee Base reset date in your LIRA, (described as the Reset Anniversary Date in your LIRA), the Account Value Top-up will be added to the Account Value of your Contract. The Account Value Top-up is equal to the amount by which (i) exceeds (ii), but is never less than zero, where

- (i) is the Account Value Fund Guarantee transferred from the LIRA, reduced proportionately for any withdrawals or surrenders from the Segregated Funds (no reduction on transfers between Funds);
- (ii) is the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the fifteenth anniversary of the reset date.

The Account Value Top-up will be added to the Money Market Fund.

Death Benefit Guarantee

In the event of the death of the Annuitant prior to the Maturity Date, we will pay to the spouse a Death Benefit equal to the sum of:

- the Account Value of the Contract; and
- the amount by which (i) exceeds (ii) below:
 - (i) 100% of all gross premiums deposited to the Contract; reduced proportionately by surrenders or cash withdrawals from the Funds (no reduction on transfers between Funds);
 - (ii) the Account Value of the Funds based on the Unit Value of the particular Fund in effect on the date of receipt by the Company of notification of death of the Annuitant.

The effective date of the surrender of units credited to your Contract will be within five (5) business days after we receive notification of the death of the Annuitant in a manner that is satisfactory to the Company. The value of the units surrendered in a particular Fund is equal to the total number of units held times the value of each unit and is based on the Unit Value of the Fund prevailing on the effective date of surrender.

The value of the units acquired in the Funds is not guaranteed and will fluctuate with the market value of the assets of the Funds.

The surviving spouse is entitled to a death benefit equal to the balance in the LIF if the Annuitant dies before the LIF is converted to an annuity. If there is no spouse at the date of death or if you and your spouse are considered separated in accordance with provincial pension legislation, your beneficiary or estate receives the benefit. Payment of the Death Benefit will terminate the Contract.

Illustrative Guarantee on Death and Maturity

| Example Number | Deposit Amount | Contract Value | Amount Withdrawn | 100% Death Guarantee | 75% Maturity Guarantee | Death Benefit | Maturity Benefit |
|----------------|----------------|----------------|------------------|----------------------|------------------------|---------------|------------------|
| 1 | \$10,000 | \$20,610* | \$5,000 | \$ 7,574*** | \$ 5,680 | \$15,610 | \$15,610 |
| 2 | \$20,000 | \$19,444** | none | \$20,000 | \$15,000 | \$20,000 | \$19,444 |
| 3 | \$20,000 | \$19,444** | \$5,000 | \$14,857*** | \$11,143 | \$14,857 | \$14,444 |

* assumed unit values increased uniformly at 7.5% per annum

** assumed unit values increased uniformly to the 5th year, then decreased uniformly at 7.5% per annum

*** proportionately reduced by amount withdrawn

Periodic Statements

You will receive periodically, but not less frequently than annually, a statement of the current financial status of your Contract. Upon receipt of your statement, check for correctness of the information. For any discrepancy, contact your advisor/broker or call Individual Customer Service at: 1-800-668-4095.

The statement will contain the following information:

- a) the amount, if any, transferred in during the period
- b) the unit value and number of units in the Funds, for the past period
- c) the amount of payments made and transfers out
- d) the balance of your Contract at the beginning of the year
- e) the minimum amount that must be taken out during the next year
- f) the maximum amount that can be taken out during the next year

Current Fund Facts information for each of the Segregated Funds can be accessed electronically at www.equitable.ca or a printed version will be provided upon request.

Once a year, we will provide you with a notice, which will explain how you may access electronically or request a printed copy of the audited Segregated Funds Annual Report as at December 31 of the previous year, which

includes the audited financial statements, management expense ratios, changes to insurance fee within insurance fee limit and rates of return, calculated on a net basis for each fund.

The most recent audited Segregated Funds Annual Report or unaudited Segregated Funds Semi-Annual Report issued by the Company can be accessed electronically at www.equitable.ca or the current printed version will be provided upon request. The Company publishes the audited Annual Segregated Funds Report and posts it to its website on or before April 30th each year for the prior fiscal year end results and the unaudited Segregated Funds Semi-Annual Report on or before September 30th each year for the prior 12-month period.

Detailed information, including a simplified prospectus, Annual Information Form (AIF) and audited financial statements, on the underlying funds are available upon request.

Amendments to LIF Contracts

We agree not to amend the Contract except as follows:

- 1) we are required by law to do so and if applicable legislation allows. You will be allowed the opportunity to transfer the balance of the Pivotal Solutions/ Pivotal Solutions DSC LIF under the terms of the Contract that exist before the amendment is made, if the amendment would result in a reduction in your benefits under the Contract,
- 2) we provide at least 90 days notice of a proposed amendment, subject to applicable legislation,
- 3) we notify you by registered mail of the nature of the amendment and allow you at least 90 days after the notice is given to transfer all or part of the balance in the fund, subject to applicable legislation.

Taxation of Retirement Income Payments

Retirement income paid to you is fully taxable in the year received.

- Payments in excess of the required minimum payment will have tax withheld at the prescribed percentages in accordance with the *Income Tax Act* (Canada).
- A tax slip for all regular payments, lump sum withdrawals and applicable withholding tax will be prepared at year-end.

7. PIVOTAL SOLUTIONS / PIVOTAL SOLUTIONS DSC GENERAL PROVISIONS

A. SEGREGATED FUNDS ("the Fund(s)" or "the Segregated Fund(s)")

Description of the Segregated Funds

The Segregated Funds established by us offer you a comprehensive investment spectrum.

- The assets of these Funds are segregated from the other assets of the Company and are non-guaranteed assets where you assume the investment risk in exchange for the opportunity of potentially higher returns.
- The Funds are similar to investment trusts, the business of which consists of the sale of units to the public and the investment of the proceeds.
- These Funds are established and subject to the Insurance Companies Act, but are not registered under any trust company legislation.

Under the Pivotal Solutions/ Pivotal Solutions DSC Contract, you, as a purchaser of an individual variable insurance contract, including any premium payments deposited to the Segregated Funds that incorporate the name of the underlying fund, will derive all your benefits under the terms of your Contract with Equitable Life. You are *not* a unitholder or owner of the underlying mutual fund or pooled fund in which fund assets may be invested.

Marketable Security as Underlying Investment

A marketable security can be classified as an equity or debt instrument such as stocks, shares, bonds, and exchange traded funds that are traded, bought, or sold on a stock exchange. The assets of marketable securities are owned by investors of the marketable securities. Equitable Life is an owner of the underlying shares, stocks, bonds, and exchange traded funds.

- The underlying investments of the Equitable Life Active Balanced ETF Portfolio Fund and the Equitable Life Money Market Fund are securities managed by Equitable Life of Canada Capital Markets Group.

Mutual Fund as Underlying Investment

A mutual fund is simply a pool of savings accumulated from contributions made by many investors and invested on their behalf by a professional money manager. The assets of a mutual fund are owned by the investors of the mutual fund. Equitable Life is an owner of units in the underlying mutual funds.

- The underlying investments of the American Growth Fund are units of a mutual fund offered by MFS McLean Budden Limited.
- The underlying investments of the Equitable Life Invesco Canadian Premier Growth Fund, Equitable Life Trimark Europlus Fund, and the Equitable Life Trimark Global Balanced Fund, and Equitable Life Trimark International Companies Fund are units of mutual funds offered by Invesco Trimark Ltd.
- The underlying investments of the Equitable Life Bissett Dividend Income Fund, Equitable Life Quotential Diversified Income Portfolio, Equitable Life Quotential Balanced Income Portfolio, Equitable Life Quotential Balanced Growth Portfolio, Equitable Life Quotential Global Growth Portfolio, Equitable Life Quotential Growth Portfolio, Equitable Life Quotential Maximum Growth Portfolio, and the Equitable Life Templeton Global Bond Fund are units of mutual funds offered by Franklin Templeton Investments Corp.
- The underlying investments of the Equitable Life Dynamic Value Balanced Fund and the Equitable Life Dynamic Value Balanced Fund are units of a mutual fund offered by Goodman & Company, Investment Counsel Ltd.
- The underlying investments of the Equitable Life Mackenzie Founders Income and Growth Fund and the Equitable Life Mackenzie Saxon Balanced Fund are units of a mutual fund offered by Mackenzie Financial Corporation.

Mutual Fund Corporation as Underlying Investment

A mutual fund corporation is a pool of savings accumulated from contributions made by many investors and invested on their behalf by a professional money manager. The assets of a mutual fund corporation are securities

such as stocks and bonds, which are owned by the corporation. Shareholders own the assets of a mutual fund company and Equitable Life is a shareholder in these corporations.

- The underlying investments of the Equitable Life Mackenzie Universal U.S. Emerging Growth Fund are shares of a mutual fund corporation offered by Mackenzie Financial Corporation.
- The underlying investments of the Equitable Life Templeton Growth Fund are shares of a mutual fund corporation offered by Franklin Templeton Investments Corp.
- The underlying investments of the Equitable Life Dynamic Power Global Growth Fund are shares of a mutual fund corporation offered by Goodman & Company, Investment Counsel Ltd.

Pooled Fund as Underlying Investment

A pooled fund is a trust fund operated and maintained for the purpose of the common or collective investment and reinvestment in the fund of contributions received by the trustee from the participants. Equitable Life is an owner of units in the underlying pooled funds.

- The underlying investments of the Asset Allocation Fund, Canadian Bond Fund, Canadian Stock Fund and the Equitable Life MB Canadian Equity Value Fund are units of pooled funds offered by MFS McLean Budden Limited.
- The underlying investments of the Equitable Life Acuity Canadian Balanced Fund, Equitable Life Acuity Pure Canadian Equity Fund and Equitable Life Acuity Diversified Income Fund are units of pooled funds offered by Acuity Investment Management Inc.

The value of the units acquired in each of the Segregated Funds (including the value of the units acquired in each of the underlying funds) is not guaranteed and will fluctuate with the market value of the assets of the Funds.

In the case of each Segregated Fund that invest in an underlying fund, the value of your investments in the Segregated Fund will be linked to the value of the underlying Fund, however the investment returns will vary from those of the underlying fund due to timing differences for deposits and redemptions which result in the segregated fund purchasing units of the underlying fund at different prices, the relative value of both funds and the additional costs associated with the guaranteed benefits provided to contractholders of segregated funds.

i) American Growth Fund

The fundamental investment objective of the American Growth Fund is to achieve long-term capital growth primarily through exposure to U.S. equity securities of large and mid-sized U.S. companies.

The American Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of MFS McLean Budden US Equity Core Fund. The MFS McLean Budden US Equity Core Fund is managed by MFS McLean Budden Limited. The Equitable Life Insurance Company of Canada reserves the right to substitute a different underlying fund in the event that the current underlying fund fails to meet the fundamental investment objective stated above.

The MFS McLean Budden US Equity Core Fund aims for long-term capital growth by investing in U.S. equity securities.

Changes in market value occur as a result of various factors, including general economic and market conditions, material changes in the financial condition or performance of the issuer, currency and interest rate fluctuations and political developments. The issuers, if not subject to United States securities laws, may be subject to accounting, auditing, financial reporting and disclosure requirements less exacting than those applicable in Canada. Foreign securities may be affected by fluctuations, adverse or beneficial, in the value of the foreign currency in which they are denominated in relation to the Canadian dollar.

The principal risks for this fund are market risk, foreign market risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

ii) Asset Allocation Fund

The fundamental investment objective of the Asset Allocation Fund is to achieve long-term growth of principal and income through exposure to a balanced combination of stocks, bonds, mortgages and money market instruments. The asset mix will be regularly monitored and reallocated in order to optimize returns.

The Asset Allocation Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in a mix of units of pooled funds managed by MFS McLean Budden Limited, which currently includes units of MFS McLean Budden Fixed Income Fund, MFS McLean Budden Money Market Fund, MFS McLean Budden Global Research Fund, MFS McLean Budden Canadian Equity Core Fund, where the amount invested in each is determined by MFS McLean Budden Limited. The Equitable Life Insurance Company of Canada reserves the right to substitute a different underlying fund in the event that the current underlying fund fails to meet the fundamental investment objective stated above.

The MFS McLean Budden Fixed Income Fund aims to provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt and, from time-to-time, in U.S. debt. The MFS McLean Budden Fixed Income Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

The MFS McLean Budden Money Market Fund aims to provide a real rate of return through investing in a diversified portfolio of Canadian dollar-denominated debt securities with maturity of less than one year. It is expected that the vast majority of the MB Money Market Fund's return will be derived from income.

The MFS McLean Budden Global Research Fund aims to provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of non-Canadian equities. Security selection will emphasize large companies, which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market, or have prospects for above average earnings growth.

The MFS McLean Budden Canadian Equity Core Fund aims to provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or have prospects for above average earnings growth.

The Asset Allocation Fund will invest primarily in (i) common and preferred stock of qualified Canadian and foreign corporations, including convertible debentures (ii) Federal, Provincial and Municipal bonds and high grade corporate bonds and debentures (including mortgage-backed securities) rated "A" or better by a recognized bond rating agency, (iii) residential mortgages and (iv) short term money market investments. All of the foregoing investments may be made directly or indirectly through the use of pooled funds. The Asset Allocation Fund may also invest in both bond futures contracts and equity index futures contracts of both domestic and foreign markets as a means of gaining exposure to other markets on a cost effective basis. Excess cash balances may be invested in the Money Market Fund at the discretion of the portfolio managers. The Asset Allocation Fund will not be required to pay administration and/or management fees on its investment in the Money Market Fund. Refer to the Derivatives section for more information.

All Canadian and foreign equity and bond markets may be used so as to provide the widest selection of equity and fixed income assets denominated in both Canadian and foreign currency.

The principal risks for this fund are market risk, foreign market risk, interest rate risk, credit risk, underlying fund risk, currency risk and derivative risk. See also the "Risk Factors" section for additional information.

iii) Canadian Bond Fund

The fundamental investment objective of the Canadian Bond Fund is to achieve returns through a combination of capital appreciation and interest income through exposure to high-quality Canadian debt securities.

The Canadian Bond Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the MFS McLean Budden Fixed Income

Fund. The MFS McLean Budden Fixed Income Fund is managed by MFS McLean Budden Limited. The Equitable Life Insurance Company of Canada reserves the right to substitute a different underlying fund in the event that the current underlying fund fails to meet the fundamental investment objective stated above.

MFS McLean Budden Fixed Income Fund aims to provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt and from, time-to-time, in U.S. debt. MFS McLean Budden Fixed Income Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

Investments will be made primarily in marketable Government of Canada, provincial, territory or municipal government debt securities and bonds and debentures (including mortgage-backed securities) of corporations rated "A" or better at time of purchase by a recognized bond rating agency. Although the Canadian Bond Fund may also invest in residential mortgages, at no time will the Canadian Bond Fund have invested more than 10% of its market value in residential mortgage investments nor more than 5% of the market value of the Fund's assets in a single mortgage. From time to time, equity-type securities may also be included in the investment portfolio. The Canadian Bond Fund may frequently have substantial short-term obligations whenever such investments are considered to be in the best interest of the Canadian Bond Fund. Excess cash balances may be invested in the Money Market Fund at the discretion of the portfolio managers. The Canadian Bond Fund will not be required to pay administration and/or management fees on its investment in the Money Market Fund.

All available Canadian and U.S. bond markets may be used so as to provide a wide selection of bond issues and maturity dates in both Canadian and U.S. dollar denominated investment instruments of Canadian issuers.

The principal risks for this fund are interest rate risk, credit risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

iv) Canadian Stock Fund

The fundamental investment objective of the Canadian Stock Fund is to achieve long-term capital appreciation through exposure to a diversified portfolio of Canadian and foreign equities.

The Canadian Stock Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the MFS McLean Budden Canadian Equity Plus Fund. The MFS McLean Budden Canadian Equity Plus Fund is managed by MFS McLean Budden Limited. The Equitable Life Insurance Company of Canada reserves the right to substitute a different underlying fund in the event that the current underlying fund fails to meet the fundamental investment objective stated above.

The MFS McLean Budden Canadian Equity Plus Fund aims to provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian and foreign equities. Typically, at least 75% of the Canadian equity portion of the MFS McLean Budden Canadian Equity Plus Fund will be invested in the largest one hundred stocks traded on the Toronto Stock Exchange as measured by available public float. Foreign equity selection will generally be large companies that are leaders in their respective industries.

The principal risks for this fund are market risk, foreign market risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

v) Equitable Life Active Balanced ETF Portfolio Fund

The fundamental investment objective of the fund seeks to achieve long term capital appreciation and income by investing in a diversified portfolio comprised primarily of fixed income, equity, and real estate related investments. The portfolio, at times, may assume limited exposures to commodity related investments or other alternative asset classes.

The Equitable Life Active Balanced ETF Portfolio Fund is a segregated fund that is managed by Equitable Life of Canada Capital Markets Group.

The Equitable Life Active Balanced ETF Portfolio Fund will actively manage allocations between multiple asset

classes based on the relative attractiveness of each category based on market conditions and the portfolio advisor's expectations for that asset class. The portfolio advisor may use a combination of fundamental and technical analysis in addition to quantitative measurements to establish the positioning bias of the fund. Exposures to particular asset classes will be achieved primarily through the use of exchange traded funds where a suitable vehicle is available.

Within the fixed income component, the portfolio advisor has the ability to manage interest rate risk by modifying its duration and curve positioning in anticipation of interest rate changes due to economic and capital market developments. Additional return potential will be achieved through credit exposure to corporate bonds of domestic and non domestic issuers. Fixed income will be targeted at 40% of the portfolio but may represent as much as 60% or as little as 20% of the portfolio weight.

Equity investments will encompass both domestic and foreign securities while broad representation will be achieved in both industry sector diversification and market capitalization. Growth expectations and valuation considerations between markets and sectors will contribute to asset weightings in equity categories. Aggregate equity investments will be targeted at 50% of the portfolio but may represent as much as 70% or as little as 30% of the portfolio weight.

Real estate and related investments will be based primarily on REIT investments and equity securities whose core business is real estate. The fund will target a 5% exposure to real estate related investments but may invest up to 15% of the Fund's assets in this category. Commodity and alternative investments will be assessed for relative attractiveness and employed on a tactical basis in measured allocations within the portfolio. The fund may invest up to 10% of assets in commodity and alternative investments.

The principal risks for this fund are credit risk, currency risk, derivative risk, special equities risk, equity risk, interest rate risk, tracking error risk. See also the "Risk Factors" section for additional information.

vi) *Equitable Life Acuity Canadian Balanced Fund*

The fundamental investment objective of the Equitable Life Acuity Canadian Balanced Fund is to invest in units of the Acuity Pooled Canadian Balanced Fund or a substantially similar fund.

The Equitable Life Acuity Canadian Balanced Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Acuity Pooled Canadian Balanced Fund. The Acuity Pooled Canadian Balanced Fund is managed by Acuity Investment Management Inc. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Acuity Pooled Canadian Balanced Fund's investment objective is to invest in any combination of equity securities, income trusts and debt securities.

The principal risks for this fund are derivative risk, equity risk, credit risk, interest rate risk, foreign market risk, income trust risk, securities lending risk, repurchase and reverse repurchase transactions risk. See also the "Risk Factors" section for additional information.

vii) *Equitable Life Acuity Diversified Income Fund*

The fundamental investment objective of the Equitable Life Acuity Diversified Income Fund is to invest in the units of the Acuity Pooled Diversified Income Fund or a substantially similar fund.

The Equitable Life Acuity Diversified Income Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Acuity Pooled Diversified Income Fund. The Acuity Pooled Diversified Income Fund is managed by Acuity Investment Management Inc. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Acuity Pooled Diversified Income Fund's investment objective is to invest primarily in high yield, investment grade and convertible corporate bonds; government and real return bonds; and other income producing securities such as income trusts and dividend-paying equities.

The principal risks for this fund are derivative risk, equity risk, interest rate risk, income trust risk, foreign market risk, securities lending risk, repurchase and reverse repurchase transactions risk, concentration risk, . See also the "Risk Factors" section for additional information.

viii) *Equitable Life Acuity Pure Canadian Equity Fund*

The fundamental investment objective of the Equitable Life Acuity Pure Canadian Equity Fund is to invest in units of the Acuity Pooled Pure Canadian Equity Fund or a substantially similar fund.

The Equitable Life Acuity Pure Canadian Equity Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Acuity Pooled Pure Canadian Equity Fund. The Acuity Pooled Pure Canadian Equity Fund is managed by Acuity Investment Management Inc. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Acuity Pooled Pure Canadian Equity Fund's investment objective is to invest primarily in equity securities, including income trusts, preferred shares, warrants and securities convertible into equity securities of Canadian issuers. The Acuity Pooled Pure Canadian Equity Fund will not hold any foreign property.

The principal risks for this fund are derivative risk, equity risk, income trust risk, securities lending risk, repurchase and reverse repurchase transactions risk. See also the "Risk Factors" section for additional information.

ix) *Equitable Life Bissett Dividend Income Fund*

The fundamental investment objective of the Equitable Life Bissett Dividend Income Fund is to invest in units of the Bissett Dividend Income Fund or a substantially similar fund.

The Equitable Life Bissett Dividend Income Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Bissett Dividend Income Fund. The Bissett Dividend Income Fund is managed by Franklin Templeton Investment Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Bissett Dividend Income Fund seeks high current income by investing primarily in Canadian and American dividend paying preferred and common stocks and, from time to time bonds, up to a maximum of 25% of the Bissett Dividend Income Fund's total assets. The Bissett Dividend Income Fund may invest in foreign equity or fixed income securities up to the limits allowed for registered plans.

The principal risks for this fund are market risk, foreign market risk, interest rate risk, credit risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

x) *Equitable Life Dynamic Far East Value Fund*

The fundamental investment objective of the Equitable Life Dynamic Far East Value Fund is to invest in units of the Dynamic Far East Value Fund or a substantially similar fund.

The Equitable Life Dynamic Far East Value Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Dynamic Far East Value Fund. Dynamic Far East Value Fund is managed by Goodman & Company, Investment Counsel Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Dynamic Far East Value Fund's investment objective is to achieve long-term capital growth primarily through investments in equity securities of businesses in the Far East.

The principal risks for this fund are currency risk, derivative risk, equity risk, foreign investment risk, liquidity risk and securities lending risk. See also the "Risk Factors" section for additional information.

*xi) **Equitable Life Dynamic Power Global Growth Fund***

The fundamental investment objective of the Equitable Life Dynamic Power Global Growth Fund is to invest in units of the Dynamic Power Global Growth Class or a substantially similar fund.

The Equitable Life Dynamic Power Global Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in shares of the Dynamic Power Global Growth Class. The Dynamic Power Global Growth Class is managed by Goodman & Company, Investment Counsel Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Dynamic Power Global Growth Class' investment objective is to provide long-term capital growth through investment in a broadly diversified portfolio consisting primarily of equity securities of businesses based outside of Canada.

The principal risks for this fund are currency risk, derivative risk, equity risk, foreign investment risk, liquidity risk, securities lending risk and short selling risk. See also the "Risk Factors" section for additional information.

*xii) **Equitable Life Dynamic Value Balanced Fund***

The fundamental investment objective of the Equitable Life Dynamic Value Balanced Fund is to invest in units of the Dynamic Value Balanced Fund or a substantially similar fund.

The Equitable Life Dynamic Value Balanced Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in shares of the Dynamic Value Balanced Fund. The Dynamic Value Balanced Fund is managed by Goodman & Company, Investment Counsel Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Dynamic Value Balanced Fund investment objective is to provide a high level of interest and dividend income and capital appreciation as is consistent with safety of capital by investing primarily in high-quality equity securities and high yield debt obligations.

The principal risks for this fund are commodity risk, credit risk, currency risk, derivative risk, equity risk, foreign market risk, underlying fund risk, securities lending risk and short selling risk. See also the "Risk Factors" section for additional information.

*xiii) **Equitable Life Invesco Canadian Premier Growth Fund***

The fundamental investment objective of the Equitable Life Invesco Canadian Premier Growth Fund is to invest in units of the Invesco Canadian Premier Growth Fund or a substantially similar fund.

The Equitable Life Invesco Canadian Premier Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Invesco Canadian Premier Growth Fund. The Invesco Canadian Premier Growth Fund is managed by Invesco Trimark Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Invesco Canadian Premier Growth Fund's investment objective is to seek to generate long-term capital growth by investing mainly in a diversified portfolio of Canadian equity securities with a strong growth potential.

The principal risks for this fund are market risk, foreign market risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

xiv) *Equitable Life Mackenzie Founders Income and Growth Fund*

The fundamental investment objective of the Equitable Life Mackenzie Founders Income and Growth Fund is to invest in shares of the Mackenzie Founders Income and Growth Fund or a substantially similar fund.

The Equitable Life Mackenzie Founders Income and Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in shares of the Mackenzie Founders Income and Growth Fund. The Mackenzie Founders Income and Growth Fund is managed by Mackenzie Financial Corporation. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Mackenzie Founders Income and Growth Fund aims to provide investors with a steady stream of income and the potential for capital growth over the longer-term by investing in a portfolio of equity and fixed income investments, primarily through ownership of other Mackenzie Funds.

The principal risks for this fund are commodity risk, concentration risk, currency risk, derivative risk, foreign market risk, income trust risk, interest rate risk, underlying fund risk, and securities lending risk. See also the "Risk Factors" section for additional information.

xv) *Equitable Life Mackenzie Saxon Balanced Fund*

The fundamental investment objective of the Equitable Life Mackenzie Saxon Balanced Fund is to invest in shares of the Mackenzie Saxon Balanced Fund or a substantially similar fund.

The Equitable Life Mackenzie Saxon Balanced Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in shares of the Mackenzie Saxon Balanced Fund. The Mackenzie Saxon Balanced Fund is managed by Mackenzie Financial Corporation. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Mackenzie Saxon Balanced Fund aims to provide long-term capital growth and income by investing primarily in a well-diversified balanced portfolio of Canadian equity instruments, fixed income and money market securities.

The principal risks for this fund are commodity risk, concentration risk, currency risk, derivative risk, foreign market risk, income trust risk, interest rate risk, liquidity risk, market risk, and securities lending risk. See also the "Risk Factors" section for additional information.

xvi) *Equitable Life Mackenzie Universal U.S. Emerging Growth Fund*

The fundamental investment objective of the Equitable Life Mackenzie Universal U.S. Emerging Growth Fund is to invest in shares of the Mackenzie Universal U.S. Emerging Growth Class or a substantially similar fund.

The Equitable Life Mackenzie Universal U.S. Emerging Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in shares of the Mackenzie Universal U.S. Emerging Growth Class. The Mackenzie Universal U.S. Emerging Growth Class is managed by Mackenzie Financial Corporation. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Mackenzie Universal U.S. Emerging Growth Class pursues long-term capital growth by investing in common securities of American small to mid-capitalization companies with above average growth prospects ("emerging growth companies"). Current income is secondary to long-term growth of capital in selecting securities for the Mackenzie Universal U.S. Emerging Growth Class's portfolio.

The principal risks for this fund are market risk, foreign market risk, currency risk, derivative risk, underlying fund risk and special equities risk. See also the "Risk Factors" section for additional information.

xvii) *Equitable Life MB Canadian Equity Value Fund*

The fundamental investment objective of the Equitable Life MB Canadian Equity Value Fund is to invest in units of the MFS McLean Budden Canadian Equity Value Fund or a substantially similar fund.

The Equitable Life MB Canadian Equity Value Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the MFS McLean Budden Canadian Equity Value Fund. The MFS McLean Budden Canadian Equity Value Fund is managed by MFS McLean Budden Limited. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The MFS McLean Budden Canadian Equity Value Fund aims to provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies, which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market.

The principal risk for this fund is market risk and underlying fund risk. See also the "Risk Factors" section for additional information.

xviii) *Equitable Life Quotential Balanced Growth Portfolio*

The fundamental investment objective of the Equitable Life Quotential Balanced Growth Portfolio is to invest in units of the Quotential Balanced Growth Portfolio or a substantially similar fund.

The Equitable Life Quotential Balanced Growth Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Balanced Growth Portfolio. The Quotential Balanced Growth Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Balanced Growth Portfolio investment objective is a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xix) *Equitable Life Quotential Balanced Income Portfolio*

The fundamental investment objective of the Equitable Life Quotential Balanced Income Portfolio is to invest in units of the Quotential Balanced Income Portfolio or a substantially similar fund.

The Equitable Life Quotential Balanced Income Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Balanced Income Portfolio. The Quotential Balanced Income Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Balanced Income Portfolio's investment objective is a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards income.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xx) *Equitable Life Quotential Diversified Income Portfolio*

The fundamental investment objective of the Equitable Life Quotential Diversified Income Portfolio is to invest in units of the Quotential Diversified Income Portfolio or a substantially similar fund.

The Equitable Life Quotential Diversified Income Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Diversified Income Portfolio. The Quotential Diversified Income Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Diversified Income Portfolio's investment objective is high current income and some long-term capital appreciation by investing primarily in a diversified mix of income and bond mutual funds.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xxi) *Equitable Life Quotential Global Growth Portfolio*

The fundamental investment objective of the Equitable Life Quotential Global Growth Portfolio is to invest in units of the Quotential Global Growth Portfolio or a substantially similar fund.

The Equitable Life Quotential Global Growth Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Global Growth Portfolio. The Quotential Global Growth Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Global Growth Portfolio's investment objective is long-term capital appreciation by investing primarily in a diversified mix of global equity mutual funds.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xxii) *Equitable Life Quotential Growth Portfolio*

The fundamental investment objective of the Equitable Life Quotential Growth Portfolio is to invest in units of the Quotential Growth Portfolio or a substantially similar fund.

The Equitable Life Quotential Growth Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Growth Portfolio. The Quotential Growth Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Growth Portfolio's investment objective is long-term capital appreciation by investing primarily in a diversified mix of equity mutual funds, with additional stability derived from investing in fixed income mutual funds.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xxiii) *Equitable Life Quotential Maximum Growth Portfolio*

The fundamental investment objective of the Equitable Life Quotential Maximum Growth Portfolio is to invest in units of the Quotential Maximum Growth Portfolio or a substantially similar fund.

The Equitable Life Quotential Maximum Growth Portfolio Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Quotential Maximum Growth Portfolio. The Quotential Maximum Growth Portfolio is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Quotential Maximum Growth Portfolio's investment objective is long-term capital appreciation by investing primarily in a diversified mix of equity mutual funds.

The principal risks for this fund are equity risk, interest rate risk, foreign market risk, special equities risk, derivative risk, underlying fund risk, securities lending risk, and repurchase and reverse repurchase transaction risk. See also the "Risk Factors" section for additional information.

xxiv) *Equitable Life Templeton Global Bond Fund*

The fundamental investment objective of the Equitable Life Templeton Global Bond Fund is to provide a real rate of return, primarily through income, through exposure to a diversified portfolio of government and high-grade corporate Canadian, American and overseas debt securities.

The Equitable Life Templeton Global Bond Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested exclusively in units of the Templeton Global Bond Fund. The Templeton Global Bond Fund is managed by Franklin Templeton Investments Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a different underlying fund in the event that the current underlying fund fails to meet the fundamental investment objective stated above.

The fundamental investment objective of the Templeton Global Bond Fund is to achieve high current income with capital appreciation by investing primarily in fixed income securities and preferred shares issued around the world. The Templeton Global Bond Fund may not invest more than 25% of the total value of the invested assets (excluding cash) in a particular industry.

Changes in market value occur as a result of various factors, including general economic and market conditions, material changes in the financial condition or performance of the issuer, currency and interest rate fluctuations and political developments. Foreign securities may be affected by fluctuations, adverse or beneficial, in the value of the foreign currency in which they are denominated in relation to the Canadian dollar.

The principal risks for this fund are interest rate risk, credit risk, currency risk, underlying fund risk and foreign market risk. See also the "Risk Factors" section for additional information.

xxv) *Equitable Life Templeton Growth Fund*

The fundamental investment objective of the Equitable Life Templeton Growth Fund is to invest in shares of the Templeton Growth Fund, Ltd. or a substantially similar fund.

The Equitable Life Templeton Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested in shares of the Templeton Growth Fund, Ltd. The Templeton Growth Fund, Ltd. is managed by Franklin Templeton Investment Corp. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Templeton Growth Fund, Ltd. seeks to achieve long-term capital appreciation by investing primarily in equity securities of companies around the world, and fixed income securities issued by governments or companies of any country. The Templeton Growth Fund, Ltd. may invest in any country or industry in any proportion.

The principal risks for this fund are market risk, interest rate risk, foreign market risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

xxvi) *Equitable Life Trimark Europlus Fund*

The fundamental investment objective of the Equitable Life Trimark Europlus Fund is to invest in units of the Trimark Europlus Fund or a substantially similar fund.

The Equitable Life Trimark Europlus Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested in units of the Trimark Europlus Fund. The Trimark Europlus Fund is managed by Invesco Trimark Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Trimark Europlus Fund's investment objective is to seek to produce strong capital growth over the long term; it invests mainly in equities focusing on companies located in Europe, including Eastern European countries and the Commonwealth of Independent States (countries of the former Soviet Union). The Trimark Europlus Fund may from time to time invest in companies located in other countries, generally in the Mediterranean region.

The principal risks for this fund are market risk, foreign market risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

xxvii) *Equitable Life Trimark Global Balanced Fund*

The fundamental investment objective of the Equitable Life Trimark Global Balanced Fund is to invest in units of the Trimark Global Balanced Fund or a substantially similar fund.

The Equitable Life Trimark Global Balanced Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested in units of the Trimark Global Balanced Fund. The Trimark Global Balanced Fund is managed by Invesco Trimark Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Trimark Global Balanced Fund's investment objective is to seek to provide a high total investment return through a combination of income and strong capital growth. The Trimark Global Balanced Fund holds a balanced portfolio of equities, convertible and fixed-income securities issued by governments – federal, provincial or municipal – or corporations anywhere in the world.

The principal risks for this fund are market risk, foreign market risk, interest rate risk, credit risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

xxviii) *Equitable Life Trimark Income Growth Fund*

The fundamental investment objective of the Equitable Life Trimark Income Growth Fund is to invest in units of the Trimark Income Growth Fund or a substantially similar fund.

The Equitable Life Trimark Income Growth Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested in units of the Trimark Income Growth Fund. The Trimark Income Growth Fund is managed by Invesco Trimark Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Trimark Income Growth Fund's investment objective strives for long-term capital growth and current income by investing in a mix of equity and fixed-income securities. The equity portion is mainly invested in high quality Canadian stocks that are attractively priced relative to their historical earnings, cash flow and valuation record. The fixed-income portion seeks to generate current income.

The principal risks for this fund are market risk, foreign market risk, interest rate risk, credit risk, underlying fund risk and currency risk. See also the "Risk Factors" section for additional information.

xxix) *Equitable Life Trimark International Companies Fund*

The fundamental investment objective of the Equitable Life Trimark International Companies Fund is to invest in units of the Trimark International Companies Fund or a substantially similar fund.

The Equitable Life Trimark International Companies Fund is a segregated fund that is managed by The Equitable Life Insurance Company of Canada and currently the assets are invested in units of The Trimark International Companies Fund. The Trimark International Companies Fund is managed by Invesco Trimark Ltd. The Equitable Life Insurance Company of Canada reserves the right to substitute a substantially similar fund in the event that the current underlying fund changes its objective.

The Trimark International Companies Fund's investment objective is to provide strong capital growth over the long term. The Trimark International Companies Fund invests primarily in securities of issuers located outside of Canada and the United States.

The principal risks for this fund are concentration risk, currency risk, derivative risk, equity risk, foreign market risk and interest rate risk. See also the "Risk Factors" section for additional information.

xxx) *Money Market Fund*

The fundamental investment objective of the Money Market Fund is to provide maximum income on Canadian government and high-grade corporate short-term investments consistent with preservation of capital and liquidity.

The Money Market Fund is a segregated fund that is managed by Equitable Life of Canada Capital Markets Group.

The Money Market Fund will invest primarily in money market instruments with a term to maturity of one year or less, including debt issued or guaranteed by the Government of Canada, any Canadian province or any agency of either, or any municipal corporation in Canada, obligations of Canadian chartered banks or loan or trust companies registered or licensed under the laws of Canada or any province, and high quality short term corporate obligations. The Money Market Fund has a portfolio with a dollar-weighted average term to maturity not exceeding 180 days. The Money Market Fund will not have more than 5% of foreign investment. Not more than 5% of its assets will be invested in commercial paper that has not been rated investment-grade by a recognized credit rating agency.

The net income of the Money Market Fund consists of and is expected to continue to consist primarily of interest income. The Money Market Fund intends to hold its investments to maturity where it is reasonable to do so. If a short-term security is sold, the difference between the cost thereof and the proceeds (less any income previously credited for such security) will represent an adjustment to income and not capital of the Money Market Fund.

Investment in other Funds

The Money Market Fund is permitted to invest in pooled or mutual funds sponsored and managed by another investment manager, provided that:

- (a) such investments are consistent with the investment policy of the Money Market Fund,
- (b) such funds do not charge a sales commission,
- (c) there is no duplication of management fees and/or administration expenses, and
- (d) detailed information on the secondary fund(s) is available to contractholders upon request.

100% of the following principal Fund's net asset value, other than cash, is invested in a "secondary" fund:

Principal Fund

American Growth Fund
Canadian Bond Fund
Canadian Stock Fund
Equitable Life Acuity Canadian Balanced Fund
Equitable Life Acuity Diversified Income Fund
Equitable Life Acuity Pure Canadian Equity Fund
Equitable Life Bissett Dividend Income Fund
Equitable Life Dynamic Far East Value Fund
Equitable Life Dynamic Value Balanced Fund
Equitable Life Invesco Canadian Premier Growth Fund
Equitable Life Mackenzie Founders Income and Growth Fund
Equitable Life Mackenzie Saxon Balanced Fund
Equitable Life MB Canadian Equity Value Fund
Equitable Life Quotential Diversified Income Portfolio
Equitable Life Quotential Balanced Income Portfolio
Equitable Life Quotential Balanced Growth Portfolio
Equitable Life Quotential Global Growth Portfolio
Equitable Life Quotential Growth Portfolio
Equitable Life Quotential Maximum Growth Portfolio
Equitable Life Templeton Global Bond Fund
Equitable Life Trimark Europlus Fund
Equitable Life Trimark Global Balanced Fund
Equitable Life Trimark Income Growth Fund
Equitable Life Trimark International Companies Fund

"Secondary" Fund

MFS McLean Budden US Equity Core Fund
MFS McLean Budden Fixed Income Fund
MFS McLean Budden Canadian Equity Plus Fund
Acuity Pooled Canadian Balanced Fund
Acuity Pooled Diversified Income Fund
Acuity Pooled Pure Canadian Equity Fund
Bissett Dividend Income Fund
Dynamic Far East Value Fund
Dynamic Value Balanced Fund
Invesco Canadian Premier Growth Fund
Mackenzie Founders Income and Growth Fund
Mackenzie Saxon Balanced Fund
MFS McLean Budden Canadian Equity Value Fund
Quotential Diversified Income Portfolio
Quotential Balanced Income Portfolio
Quotential Balanced Growth Portfolio
Quotential Global Growth Portfolio
Quotential Growth Portfolio
Quotential Maximum Growth Portfolio
Templeton Global Bond Fund
Trimark Europlus Fund
Trimark Global Balanced Fund
Trimark Income Growth Fund
Trimark International Companies Fund

100% of the following principal Fund's net asset value, other than cash, is invested in shares of the "secondary" mutual fund corporation:

Principal Fund

Equitable Life Dynamic Power Global Growth Fund
Equitable Life Mackenzie Universal U.S. Emerging Growth Fund
Equitable Life Templeton Growth Fund

"Secondary" Mutual Fund Corporation

Dynamic Power Global Growth Class
Mackenzie Universal U.S. Emerging Growth Class
Templeton Growth Fund, Ltd.

The Asset Allocation Fund is invested in secondary funds based on a mix of pooled funds managed by MFS McLean Budden Limited.

The Equitable Life Active Balanced ETF Portfolio Fund may hold units of multiple exchange-traded funds at any given time in order to meet the investment objective of the fund.

Investment in these secondary funds is structured so as to avoid duplication of management fees. Detailed information, including a simplified prospectus, Annual Information Form (AIF), and audited financial statements on these secondary funds is available upon request.

Changes to the Fundamental Investment Objectives of the Underlying Funds:

The fundamental investment objectives of the underlying funds cannot be changed unless approved by the unitholders or shareholders of the respective underlying funds.

Upon such approval, contractholders of the primary Equitable Life Segregated Fund will be given notice of such change and the Company will assess whether such investments in the underlying funds remain consistent with the investment policy of the applicable Equitable Life Segregated Fund.

- If it is deemed that the investments in the underlying funds continue to be consistent with the investment objective of the applicable Equitable Life Segregated Fund and Equitable Life retains the underlying fund, this will not constitute a fundamental change.
- If it is deemed that the investments in the underlying funds no longer fit the investment objective of the applicable Equitable Life Segregated Fund, then the Company will seek to reallocate the assets of the segregated fund to a substantially similar fund that appropriately fit our investment objective.

The Company will endeavour to preserve the fundamental investment objectives of the Equitable Life Segregated Fund.

If the Fundamental Investment Objectives of the Segregated Fund change, it is a Fundamental Change. A substitution of an underlying fund is a taxable disposition. Please refer to the “Fundamental Changes” section.

Changing Underlying Funds

Equitable Life reserves the right to change the underlying fund to a substantially similar underlying fund provided that after the change, the Management Fee and Insurance Fee of the Equitable Life Segregated Fund is the same as, or lower than, the Management Fee and Insurance Fee of the Segregated Fund prior to substitution of the underlying fund. A substantially similar underlying fund is one with a comparable fundamental investment objective, is in the same investment fund category, and has the same or lower management fees than those of the fund it replaces.

We will notify contractholders and the Canadian Life and Health Insurance Association (CLHIA) in writing by regular mail at least 60 days before making any change to an underlying fund to a substantially similar underlying fund. The Pivotal Solutions/ Pivotal Solutions DSC Information Folder and Contract would be amended to reflect this change and filed with Provincial regulators. The foregoing may be superseded by any regulatory developments governing changes to underlying funds.

Fundamental Changes

We will notify you in writing by regular mail at least 60 days before making any of the following changes:

- (i) an increase in the management fee which may be charged against the assets of the segregated fund;
- (ii) a change in the fundamental investment objectives of a segregated fund;
- (iii) a decrease in the frequency with which units of a segregated fund are valued; or
- (iv) an increase in the insurance fee limit specified in the Fund Costs and Contract Charges section.

Provided we receive your election within 55 days after the date of the notice, you have the right to transfer to a similar fund that is not subject to the fundamental change for which the notice is given or to redeem the units if there is no similar fund, without incurring charges or fees.

During the notice period, Equitable Life has the right to prohibit a contractholder from transferring fund values or premium payments to the Fund that is subject to the change, unless you agree to waive your right to redeem the units as set out above. A fund closure is considered a fundamental change, and will follow these rules.

For the purposes of this Section, a similar segregated fund means a segregated fund that has comparable fundamental investment objectives, is in the same investment fund category (in accordance with fund

categories published in a financial publication with broad distribution) and has the same or a lower management fee and insurance fee than the management fee and insurance fee of the segregated fund in effect at the time the notice is given.

Administration of the Funds and Valuation

We currently determine the net asset value per unit of each of the Funds every Business Day, when the Company and an applicable national and/ or international stock exchange are open for business, provided market values are available. This date shall be known as the Valuation Date (“Valuation Date”). If the necessary market values are unavailable, the Company reserves the right to delay or postpone the valuation of the funds if information pertaining to the Funds is delayed, without notice, until the information becomes available.

The market value of a Fund asset on any given Valuation Date will be either:

- (a) the closing sale price on a nationally recognized stock exchange (or internationally recognized stock exchange for international equities); or
- (b) the market valuation price as reported by a nationally recognized pricing service; or
- (c) the fair market value as determined by us.

Mortgages are divided into categories of similar risk and each category is valued separately at a principal amount which will produce the prevailing rate of return on new mortgage loans existing for the mortgage and for an assumed duration determined with reference to the remaining term to maturity, the period remaining to the date when the mortgage can be repaid and the relationship between the interest rate of the mortgage and the current existing market interest rates for the mortgage. In no event will the valuation be made less frequently than once per month.

The unit value of a Fund (referred to as “Unit Value”) is determined by dividing the market value of the assets of the Fund on a Valuation Date (less any applicable fees and expenses) by the total number of units outstanding at the time of valuation. The Unit Value determined on that day shall remain in effect until the next Valuation Date.

The acquisition of units in a Fund will be made within five (5) business days after we receive the premium. The number of units acquired in a Fund is determined by dividing the premium allocated to the Fund by the Unit Value of the respective Fund at the date of unit acquisition.

For information on the Management Fee and Management Expense Ratio of each Fund, see the “Available Segregated Funds, Fund Costs and Contract Charges” section.

B. DERIVATIVES

Introduction

Unlike a direct investment of a Fund’s assets, a “derivative” is a contract between the Fund and another party where the value of the contract is “derived” from the value of another asset (e.g. currency, stocks, bonds) or an economic indicator (e.g. a stock market index or an interest rate). For example, a Fund may acquire an option to purchase shares at a pre-determined price. As the shares increase or decrease in value, the option will also increase or decrease in value. In this way, the value of the option (the derivative) is “derived” from the value of the underlying shares.

The use of derivatives can provide greater liquidity, facilitate portfolio changes and reduce transaction costs. All of the Funds (except for the Money Market Fund) may use one or more of the derivatives described below. The use of derivatives by a Fund constitutes part of its investment strategy and, therefore, the use of particular derivatives may be initiated, modified or discontinued by us at any time.

Securities Derivatives

Rather than investing directly in a share, a Fund may use a derivative (e.g. an option or futures contract on the share) to create exposure to the security. Alternatively, if a Fund holds a share, it may wish to reduce or offset its risk that the share will decline in value by purchasing an option to sell the security at a pre-determined price. Similarly, rather than investing directly in a fixed-income security, a Fund may use a derivative (e.g. a futures

contract on an interest rate or bond) to create exposure to the fixed-income security. Alternatively, if a Fund holds a fixed-income security, it may wish to reduce or offset its risk of an increase in interest rates by using a derivative (e.g. purchasing a futures contract on an interest rate or bond). These strategies may be implemented by a Fund if it anticipates a change in interest rates, which might affect the portfolio of a Fund. These strategies may also provide exposure to a foreign fixed-income market, without the purchase of the underlying fixed-income securities.

Currency Derivatives

The Fund may determine that it would be prudent to reduce the risk of fluctuations in currency exchange rates for those Funds with investments valued in a foreign currency. Alternatively, it may determine that increased exposure to a currency would be beneficial to a Fund. In these cases, a Fund may use derivatives (e.g. foreign currency call options, futures contracts or forward contracts), which guarantee an exchange rate at which the Fund can purchase or sell a pre-determined amount of foreign currency at a pre-determined time.

International Capital Market Derivatives

The Fund may wish to obtain or modify the exposure of a fund to an entire international market by using a derivative (e.g. a futures contract, forward contract, index option or an option on futures) that is tied to an economic indicator (such as a stock market index) instead of investing directly in securities of that international market. In this way, the Fund can diversify its investment to a group of equity securities or a fixed-income market rather than purchasing the equity or fixed-income securities directly.

As well, investment opportunities are not always readily accessible in some less developed markets. This is usually due to market size or foreign investor restrictions. Consequently, the Fund may use futures contracts and options on indices to create exposure to these less developed markets.

If the Fund anticipates a decline in a particular international capital market, a Fund may use derivatives (such as purchasing options on a stock market index) to offset the effect the decline may have on the Fund's investments in that international market. Alternatively, a Fund may sell futures contracts on a stock market index.

Limitations on Use of Derivatives

A Fund will use only those derivatives that are consistent with its investment objective and only as permitted by Canadian insurance industry regulators. A Fund will not use derivatives to create a portfolio with leverage. The underlying fund may use derivatives in accordance with securities regulation.

Subject to these constraints, and unless otherwise indicated:

- the Funds may use listed and over-the-counter ("OTC") derivatives, including options, warrants, rights, debt-like securities, futures and forward contracts, for hedging purposes and for non-hedging purposes if cash and securities are set aside to cover the positions.
- each Fund is prohibited from purchasing for non-hedging purposes, listed warrants and debt-like securities that have an options component if such derivatives would exceed 20% of the fund's net assets (taken at market value at the time of purchase).
- each Fund may:
 - (i) buy exchange- or OTC-traded call or put options where the maximum single counterparty exposure is 20% of the net assets of the fund calculated monthly; and
 - (ii) sell exchange- or OTC-traded call or put options where the maximum single counterparty exposure is 20% of the net assets of the fund calculated monthly if the fund holds, and continues to hold as long as the position remains open, the applicable underlying interest, or a right or obligation to sell or acquire, as the case may be, such underlying interest, together with any required amount of cash or securities; and
 - (iii) use for non-hedging purposes, futures contracts, forward contracts and debt-like securities that have a forward contract component:
 - (a) if cash and securities are set aside to cover the positions; or
 - (b) if the futures or forward contracts are short positions, the fund holds and continues to hold, as long as the position remains open, the applicable underlying interest, or a right or obligation to acquire such underlying interest, together with any required amount of cash or securities.

C. RISK FACTORS

Introduction

The value of a Fund's units is directly related to the market value of the Fund's investments and will increase or decrease with the market value of such securities. The market value of the securities will fluctuate with economic conditions such as the general level of interest rates, stock market trends, currency exchange rates, corporate earnings, dividends and other factors. Therefore, the value of any units in your Contract, which you own (other than Money Market Fund units) may at any time be higher or lower than when you purchased the units.

Types of Investment Risk

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|--------------------|--|
| Equity Risk | Equity Risk exists in Funds that concentrate on equity investments and are affected by specific company developments, stock market conditions and general economic and financial conditions in those countries where the investments are listed for trading. Equity funds generally tend to be more volatile than fixed income funds, and the value of their units may vary more widely than fixed income funds. |
| Market Risk | Market risk is the risk that the market value of an equity investment will fall as a result of a general downturn in the market. Downward trends can occur over short or extended periods of time. |
| Interest Rate Risk | Interest rate risk is the risk that the market value of a fixed-income investment will fall as a result of an increase in interest rates. The degree of price volatility of a fixed-income investment depends largely on its term to maturity. The longer a bond's term to maturity, the greater its price sensitivity to interest rate changes. |
| Credit Risk | Credit risk is the risk of loss due to failure by a debtor to make timely payments of interest or principal. This risk applies to fixed-income securities and is inversely related to the security's credit rating - the higher the credit rating, the lower the credit risk. |
| Currency Risk | Currency risk is the risk that the market value of an investment that is denominated in a foreign currency will fall as a result of a change in the currency's relative Exchange rate. |
| Concentration Risk | Concentration risk is the risk that holdings of a Fund in one issuer exceed 10% of the Fund's assets, which may reduce liquidity and diversification and may increase volatility of the net asset value of the Fund. Similarly, holdings of a fund may be spread among a limited number of issuers or holdings may be concentrated in a limited number of industries or countries. |
| Liquidity Risk | Liquidity risk is the risk that an investment may be less liquid and not easily converted to cash if it is not widely traded or if restrictions on the Exchange where it is traded take place and investments can experience dramatic changes in value. |
| Income Trust Risk | Income Trust risk is the risk associated with income trusts which generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business. Distributions and returns on income trusts are neither fixed nor guaranteed and market price of an income trust will fluctuate with market risk of specific underlying business or income trusts in general. |
| Short Selling Risk | Short Selling risk exists where a Fund borrows securities from a lender which are then sold in the open market (sold short). At a later date the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender and/or held in the fund as a cash equivalent investment. If the value of the securities declines between the time the Fund borrows the securities and the time it repurchases and returns |

them, then the Fund makes a profit on the difference, but there is no assurance the value will decline. If the value increases, then the Fund incurs a loss on the difference.

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| Securities Lending, Repurchase and Reverse Repurchase | <p>Securities lending is an agreement whereby a fund lends securities through an authorized agent in exchange for a fee and some form of acceptable collateral.</p> <p>Under a repurchase transaction, a fund agrees to sell securities for cash while, at the same time, assumes the obligation to repurchase the same securities for cash at a later date. A reverse repurchase transaction is an agreement whereby a fund buys securities for cash while, at the same time, agrees to resell the same securities for cash at a later date. The risks associated with securities lending, repurchase or reverse repurchase transactions arise when the counterparty to such transaction defaults under the investment agreement and the fund is forced to make a claim in order to recover its investment.</p> |
| Foreign Market Risk | <p>Foreign market risk is the risk of price fluctuations in foreign investments, due to various factors such as international economic and market conditions, currency fluctuations, and political, social or diplomatic developments. The sources of foreign market risk are covered in greater detail below under "Foreign Investments".</p> |
| Derivative Risk | <p>There are many types of derivative risk. The primary derivative risks associated with Equitable Life's segregated funds are imperfect correlation between changes in the market value of a derivative and changes in the market value of the investment or exposure being hedged or replicated by the derivative, and the possibility of an illiquid market. The sources of derivative risk are covered in greater detail below under "Derivative Investments".</p> |
| Special Equities Risk | <p>Special equities risk is the risk that the market value of a fund investment will fall due to the fund's concentration in a particular industry, sector or region (e.g. technology stocks, the small-cap sector, or emerging markets).</p> |
| Underlying Fund Risk | <p>Underlying Fund Risk is the risk associated with investing in the units of underlying funds where the Segregated Funds is not in control of the underlying mutual fund or pooled fund.</p> |
| Tracking Error Risk | <p>Tracking Error Risk is the risk that the return of the underlying investments deviates from the return of the benchmark, which the fund or portfolio is mapped to. This is a common risk for exchange traded funds, or index funds which are designed to track the performance of indices.</p> |
| Commodity Risk | <p>Commodity Risk is the risk in the value of an investment due to the change in prices of commodity goods which include among other things metals, minerals, energy, and agriculture related goods. Commodity prices can exhibit short term volatility and are influenced by a number of factors including such things as supply and demand, weather, government regulation, political factors, speculation, interest rates and currency values.</p> |
| Real Estate Risk | <p>Real Estate Risk is the risk in the value of an investment due to changes in the prices of commercial and residential real estate properties. Real estate prices typically change over longer cycles and are influenced by factors such as economic growth, employment, interest rates, supply and demand factors, tax and government regulation.</p> |

Foreign Investments

Investments in foreign securities carry the risk of fluctuations in the value of the foreign currency in relation to the Canadian dollar. If securities held in a Fund are denominated in a foreign currency that appreciates in relation to the Canadian dollar, the market value of that portion of the Fund's portfolio will tend to increase in value, and vice-versa. The Fund may hedge currency exposure to the extent deemed appropriate. However, hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It may also limit the opportunity for gain as a result of an increase in

value of the hedged currency. Moreover, it may not be possible to hedge against generally anticipated devaluations as the Fund may not be able to contract to sell the currency at a price above the anticipated devaluation level.

In addition, for non-North American investments, the risk of loss may be greater than on North American investments as there is often less available information about some foreign issuers and some foreign issuers are not subject to the accounting, auditing, financial reporting standards and practices and other disclosure requirements applicable in Canada or the United States. As well, the securities of some issuers traded solely through foreign securities markets may be less liquid and, due to lower trading volumes, more volatile than securities of comparable issuers traded in North America.

In addition to factors normally affecting the market value of Canadian investments, the market value of foreign investments will fluctuate as a result of international economic and market conditions, currency fluctuations and political, social or diplomatic developments.

Derivative Investments

Derivatives are used primarily for hedging purposes (i.e. to reduce or offset a perceived risk). They may also be used for replication purposes (e.g. to replicate a stock market index) or for yield enhancement. Following is a summary of the risks commonly associated with derivatives usage.

There can be no assurance that a Fund's hedging strategies will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attribute of the investment (including currency exposure) being hedged and the instrument with which the investment or attribute is hedged, and any historical correlation may not continue for the period during which the hedge is in place.

Hedging against changes in currencies, stock markets or interest rates does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It also precludes the opportunity for gain if the value of the hedged currency or stock market should rise or if the hedged interest rate should fall.

It may not be possible for a Fund to enter into transactions which hedge against generally anticipated changes in currencies, stock markets or interest rates or for a Fund to hedge against generally anticipated devaluations since the Fund may not be able to contract to sell at a price above the anticipated devaluation level.

In the case of options (whether exchange- or OTC-traded) and forward contracts, there can be no assurance that a liquid exchange will exist to permit the Fund to realize its profits or limit its losses by closing out positions.

A Fund is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange-traded instruments, or other third party in the case of OTC-traded instruments) may be unable to meet its obligations. In addition, there is the risk of loss by a fund of margin deposits in the event of bankruptcy of a dealer with whom the Fund has an open position in an option, futures or forward contract.

Derivatives traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets. The ability of a Fund to close out its positions may also be affected by exchange-imposed daily trading limits on options and futures contracts. If a Fund is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires, or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on a Fund's ability to use derivative instruments to effectively hedge its portfolio or implement its investment strategy.

Stock index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks included in the index is interrupted. Trading in these derivatives may also be interrupted if trading is halted in a substantial number of stocks included in the index. If this occurred, a fund would not be able to close out its options and futures positions, and if restrictions on exercise of the options or performance of the futures contract are imposed, the fund might experience substantial losses.

Please note that, in making use of derivative investments, none of Equitable Life's segregated funds is permitted to use leverage. That is, the notional amount of any derivatives held by a fund may not exceed 100% of the value of the fund's net assets. For example, a Fund which invests primarily in stock index futures, would be required to hold cash or cash equivalents which, together with any margin on account, are equal to or greater than the notional value of all of the futures contracts held by the fund.

D. TAX STATUS OF RIF/LIF CONTRACT OWNER

Retirement income payments under a RIF or LIF Contract are fully taxable to you in the year they are received. Investment and interest income will not be subject to income tax when it is allocated. The benefits payable under the Contract will be subject to tax. There will be restrictions on maturity, surrender, in accordance with income tax laws and regulations, assignment and retirement income payments.

E. TAX STATUS OF FUNDS

The Company is subject under the *Income Tax Act* (Canada) to a tax at regular corporate rates on its business profits. The value of units in the Funds attributed to a Contract will not be reduced by income tax on the income from monies invested in respect of that Contract or on the gains realized on such investments. However, the Funds are subject to foreign withholding taxes on income derived from non-Canadian investments.

F. TAXATION OF PREMIUMS

We reserve the right, following written notice to you, to charge for the amount of any applicable taxes (none exist at the time of printing this Information Folder) or similar imposition payable by us in respect of your Contract as a result of legislation enacted or regulations becoming effective prior to or after the Effective Date of the Contract.

G. LOCKED-IN FUNDS (as applies to "LIF")

When locked-in pension plan funds are held under this Contract, the funds will remain locked-in and shall be administered in accordance with the applicable pension legislation of the jurisdiction where the pension funds originated.

H. NOTICE AND CORRESPONDENCE

Any Notice or Correspondence that is required to be provided to you by the Company will be sent by regular mail, facsimile, or electronic mail. We will consider the Notice and/or Correspondence to be received by you on the 7th business day following the mailing or transmission.

Any Notice or Correspondence from you may be sent by regular mail, facsimile, or electronic mail (provided a signature is not required) and will be considered to be received by us on the date we receive it at our Head Office in Waterloo, Ontario.

Upon receipt of any Notice or Correspondence sent to you by the Company, check for correctness of the information. Any discrepancy should be communicated to us within 30 days of receipt by contacting your advisor/broker or calling Individual Customer Service at: 1-800-668-4095, or else the information shall be deemed to be correct.

I. RESTRICTIONS ON INVESTMENT POLICIES – SEGREGATED FUNDS

Investments in the Segregated Funds are subject to the provisions of the Canadian Life & Health Insurance Association Inc.'s Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds and the AMF Guidelines, as applicable.

While it is not regular practice to transfer securities or assets between Funds or from a Fund to the Company's general funds, such transfers may be made when the particular securities are no longer considered suitable for the achievement of the investment objectives of the Fund and the transfer is appropriate for the transferred Fund. Any such transfers will be made at the market value of the asset as determined on the most recent Valuation Date.

Monies will not be borrowed on behalf of a Fund unless required for short-term liquidity purposes. Any such temporary borrowing to accommodate redemptions will not exceed 5% of the Fund's net assets taken at current market value and will be at the then current market rates.

The Funds will not consistently concentrate any Fund investments in a particular class of asset or kind of industry, other than as specifically stated in the "Segregated Funds" section.

Current investment practice is to not engage in the purchase or sale of real estate and making of loans, whether secured or unsecured, exclusive of the purchase of debt securities and advancement of funds for residential mortgages, for investment purposes.

The Funds will be permitted to invest in mutual or pooled funds when economical and when determined to be in the best interest of the Fund contractholders. Each of the Funds may invest in units of funds sponsored and managed by another investment manager provided the investment in such funds is consistent with the investment policy of the applicable Equitable Life Fund and provided that such funds do not charge a sales commission. For each of the Funds, no additional direct charges are deducted from the contractholder other than those indicated previously.

Fund investments are not made for the purpose of exercising control or management of the companies invested in. Investment practice is to not invest more than 10% of the market value of any Fund's assets in the securities of any one corporate entity, nor to acquire more than 5% of any class of securities of any one company nor to invest more than 5% of the market value of any Fund's assets in a single mortgage. (There are no such restrictions as to the purchase and investing of obligations issued or guaranteed as to principal and interest by the Government of Canada or any province thereof or any agency of the Government of Canada or any province thereof.)

A detailed description of each Fund's investment policy is available upon request and may be obtained by calling Equitable Life's Customer Service Department at: 1-800-668-4095.

Investments currently permitted for the Funds include:

- a) units of the pooled fund, Acuity Pooled Canadian Balanced Fund,
- b) units of the pooled fund, Acuity Pooled Diversified Income Fund,
- c) units of the pooled fund, Acuity Pooled Pure Canadian Equity Fund,
- d) units of the mutual fund, Bissett Dividend Income Fund,
- e) units of the mutual fund, Dynamic Far East Value Fund,
- f) shares of the mutual fund, Dynamic Power Global Growth Class Fund,
- g) units of the mutual fund, Dynamic Value Balanced Fund,
- h) units of the mutual fund, Invesco Canadian Premier Growth Fund,
- i) units of the mutual fund, Mackenzie Founders Income and Growth Fund,
- j) units of the mutual fund, Mackenzie Saxon Balanced Fund,
- k) shares of the mutual fund corporation, Mackenzie Universal U.S. Emerging Growth Class Fund,
- l) units of the mutual fund, MFS McLean Budden US Equity Core Fund,
- m) units of the pooled fund, MFS McLean Budden Canadian Equity Plus Fund,
- n) units of the pooled fund, MFS McLean Budden Canadian Equity Value Fund,
- o) units of the pooled fund, MFS McLean Budden Fixed Income Fund,

- p) units of the pooled fund, MFS McLean Budden Money Market Fund,
- q) units of the pooled fund, MFS McLean Budden Global Research Fund,
- r) units of the pooled fund, MFS McLean Budden Canadian Equity Core Fund,
- s) units of the mutual fund, Quotential Diversified Income Portfolio
- t) units of the mutual fund, Quotential Balanced Income Portfolio
- u) units of the mutual fund, Quotential Balanced Growth Portfolio
- v) units of the mutual fund, Quotential Global Growth Portfolio
- w) units of the mutual fund, Quotential Growth Portfolio
- x) units of the mutual fund, Quotential Maximum Growth Portfolio
- y) units of the mutual fund, Templeton Global Bond Fund,
- z) shares of the mutual fund corporation, Templeton Growth Fund, Ltd.,
- aa) units of the mutual fund, Trimark Europlus Fund,
- bb) units of the mutual fund, Trimark Global Balanced Fund,
- cc) units of the mutual fund, Trimark Income Growth Fund, and
- dd) units of the mutual fund, Trimark International Companies Fund.

See “Segregated Funds” section for a description of which asset classes each of the Funds may invest in. The above permitted investments may be denominated in Canadian or U.S. dollars.

Interest income, dividend income, capital gains and any other form of income earned in all funds will be retained in the Fund to increase the Unit Value of each Fund.

J. METHOD OF MARKETING

The Pivotal Solutions/Pivotal Solutions DSC Contracts are offered through licensed life insurance agents.

K. PENDING LEGAL PROCEEDINGS

There are no legal proceedings pending or known to be contemplated material to the Company and contractholders with Fund units.

L. RIGHTS OF CONTRACTHOLDERS

Pivotal Solutions/Pivotal Solutions DSC Contracts are non-participating. Contractholders are not members of the Company and have no voting rights.

M. POTENTIAL FOR CREDITOR PROTECTION

Your Equitable Life Pivotal Solutions/Pivotal Solutions DSC Contracts may be protected from the claims of your creditors; however, there are limitations and conditions with respect to this protection and this Information Folder does not provide any information with respect to such limitations and conditions. You should consult your personal Legal Advisor and/or Financial Advisor about your individual situation. Please note that arranging your Contract as a nominee account may exclude creditor protection on the Contract.

N. ASSURIS PROTECTION

The Equitable Life Insurance Company of Canada is a member of Assuris. Assuris administers the Consumer Protection Plan, which was established to provide protection to policyholders and contractholders of member companies.

Details of coverage provided through Assuris, is available from your Financial Advisor or their web site at www.assuris.ca.

O. CUSTODIANS OF SEGREGATED FUND SECURITIES

- The Company retains control over the cash and securities of the Equitable Life Active Balanced ETF Portfolio Fund and Money Market Fund. All investments and Premiums in this Fund are made in the name of the Company.
- Acuity Investment Management Inc. retains control over the cash and securities of the Acuity Pooled Canadian Balanced Fund, Acuity Pooled Diversified Income Fund, Acuity Pooled Pure Canadian Equity Fund, and other funds that Acuity Investment Management Inc. manages. All investments and premiums in these funds are made in the name of Acuity Investment Management Inc.
- Invesco Trimark Ltd. retains control over the cash and securities of the Invesco Canadian Premier Growth Fund, Trimark Europlus Fund, Trimark Global Balanced Fund, Trimark Income Growth Fund, Trimark International Companies Fund, and other funds that Invesco Trimark Ltd. manages. All investments and premiums in these funds are made in the name of Invesco Trimark Ltd.
- Franklin Templeton Investments Corp. retains control over the cash and securities of the Bisset Dividend Income Fund, Quotential Diversified Income Portfolio, Quotential Balanced Income Portfolio, Quotential Balanced Growth Portfolio, Quotential Global Growth Portfolio, Quotential Growth Portfolio, Quotential Maximum Growth Portfolio, Templeton Global Bond Fund, Templeton Growth Fund, Ltd., and other funds that Franklin Templeton Investments Corp. manages. All investments and premiums in these funds are made in the name of Franklin Templeton Investments Corp.
- Goodman & Company, Investments Counsel Ltd. retains control over the cash and securities of the Dynamic Far East Value Fund, Dynamic Power Global Growth Class Fund, Dynamic Value Balanced Fund, and other funds that Goodman & Company, Investments Counsel Ltd. manages. All investments and premiums in these funds are made in the name of Goodman & Company, Investments Counsel Ltd.
- Mackenzie Financial Corporation retains control over the cash and securities of the Mackenzie Founders Income and Growth Fund, Mackenzie Saxon Balanced Fund, Mackenzie Universal U.S. Emerging Growth Class Fund, and other funds that Mackenzie Financial Corporation manages. All investments and premiums in these funds are made in the name of Mackenzie Financial Corporation.
- MFS McLean Budden Limited retains control over the cash and securities of the MFS McLean Budden US Equity Core Fund MFS McLean Budden Canadian Equity Plus Fund, MFS McLean Budden Fixed Income Fund, MFS McLean Budden Money Market Fund, MFS McLean Budden Global Research Fund, MFS McLean Budden Canadian Equity Core Fund, MFS McLean Budden Canadian Equity Value Fund, and other funds that MFS McLean Budden Limited manages. All investments and premiums in these funds are made in the name of MFS McLean Budden Limited.

The custodians of segregated fund securities may change at our discretion.

All securities are currently held for safekeeping and are registered in nominee name at the Royal Trust, Royal Trust Tower, 77 King Street West, Toronto, Ontario.

P. FUNCTIONS OF INSURER AND DISTRIBUTION OF CONTRACTS

- a) The management of the Company is carried out under the overall authority of its Board of Directors. Responsibility for day-to-day operations is delegated to the President and Chief Executive Officer. KPMG LLP, 115 King Street S, Waterloo, ON N2J 5A3 is the auditor of the Funds.

- b) The Senior Vice-President, Investments of the Company periodically sets and reviews investment strategy of the Funds consistent with the Investment Policy and Objectives of the Funds.
- c) Management of the Equitable Life Active Balanced ETF Portfolio Fund and Money Market Fund portfolio is by Capital Markets Group within the Company. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by an Investment Committee of appointed Company officers.
- d) Management of the underlying funds of the Equitable Life Acuity Canadian Balanced Fund, Equitable Life Diversified Income Fund, and Equitable Life Acuity Pure Canadian Equity Fund is currently by Acuity Investment Management Inc., located at Suite 1800, 65 Queen St., West, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by Acuity Investment Management Inc.

Acuity Investment Management Inc. is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- e) Management of the underlying funds of the Equitable Life Invesco Canadian Premier Growth Fund, Equitable Life Trimark Europlus Fund, Equitable Life Trimark Global Balanced Fund, Equitable Life Trimark Income Growth Fund, and Trimark International Companies Fund is currently by Invesco Trimark Ltd., located at Suite 700, 120 Bloor St., East, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by Invesco Trimark Ltd.

Invesco Trimark Ltd. is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- f) Management of the underlying funds of the Equitable Life Dynamic Far East Value Fund, Equitable Life Dynamic Power Global Growth Fund, and Equitable Life Dynamic Value Balanced Fund is currently by Goodman & Company, Investment Counsel Ltd. located at Scotia Plaza, 55th Floor, 40 King St. West, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by Goodman & Company, Investment Counsel Ltd.

Goodman & Company, Investment Counsel Ltd is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- g) Management of the underlying funds of the Equitable Life Bissett Dividend Income Fund, Equitable Life Quotential Diversified Income Portfolio, Equitable Life Quotential Balanced Income Portfolio, Equitable Life Quotential Balanced Growth Portfolio, Equitable Life Quotential Global Growth Portfolio, Equitable Life Quotential Growth Portfolio, Equitable Life Quotential Maximum Growth Portfolio, Equitable Life Templeton Global Bond Fund and Equitable Life Templeton Growth Fund is currently by Franklin Templeton Investments Corp., located at 5000 Yonge Street, Suite 900, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by Franklin Templeton Investments Corp.

Franklin Templeton Investments Corp. is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- h) Management of the underlying fund of the Equitable Life Mackenzie Founders Income and Growth Fund, Equitable Life Mackenzie Saxon Balanced Fund, and Equitable Life Mackenzie Universal U.S. Emerging Growth Fund is currently by Mackenzie Financial Corporation, located at 180 Queen Street West, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding this Fund is performed by Mackenzie Financial Corporation.

Mackenzie Financial Corporation is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- i) Management of the underlying funds of the American Growth Fund, Asset Allocation Fund, Canadian Bond Fund, Canadian Stock Fund and Equitable Life MFS McLean Budden Canadian Equity Value Fund is currently by MFS McLean Budden Limited, located at Suite 2525, 145 King St., West, Toronto, Ontario. Investment analysis, recommendations, decisions, and the execution of purchases and sales of securities and related brokerage agreements regarding these Funds is performed by MFS McLean Budden Limited.

MFS McLean Budden Limited is a Canadian investment management firm based in Toronto and is not related in any way to the Company.

- j) Through the implementation of corporate policies and codes of conduct applicable to all staff and directors, the Company has methods in place to deal with conflicts of interest that may arise as a result of external management of the funds underlying the Company's Segregated Funds.
- k) Distribution of Pivotal Solutions / Pivotal Solutions DSC Contracts are through licensed life insurance agents and brokers.
- l) The President of the Company is responsible for the co-ordination of the above functions.

Q. INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

No director, senior officer or associate or affiliate of a director or senior officer of the Company had or has any material interest in any transactions since the introduction of the Funds or in any proposed transaction which has materially affected or will materially affect the Company with respect to the Funds.

R. MATERIAL CONTRACTS

The Company has entered into an agreement with:

- Acuity Investment Management Inc. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Acuity Canadian Balanced Fund, Equitable Life Acuity Diversified Income Fund, and Equitable Life Acuity Pure Canadian Equity Fund) which invest exclusively in units of the pooled funds, Acuity Pooled Canadian Balanced Fund, Acuity Pooled Diversified Income Fund, and Acuity Pooled Pure Canadian Equity Fund respectively.
- Invesco Trimark Ltd. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Invesco Canadian Premier Growth Fund, Equitable Life Trimark Europlus Fund, Equitable Life Trimark Global Balanced Fund, Equitable Life Trimark Income Growth Fund and Equitable Life Trimark International Companies Fund) which invest exclusively in units of the Invesco Canadian Premier Growth Fund, Trimark Europlus Fund, Trimark Global Balanced Fund, Trimark Income Growth Fund, and Trimark International Companies Fund respectively.
- Goodman & Company, Investment Counsel Ltd. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Dynamic Far East Value Fund and Equitable Life Dynamic Value Balanced Fund) which invests exclusively in units of the mutual fund Dynamic Far East Value Fund and Dynamic Value Balanced Fund respectively.
- Franklin Templeton Investments Corp. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Bissett Dividend Income Fund, Equitable Life Quotential Diversified Income Portfolio, Equitable Life Quotential Balanced Income Portfolio, Equitable Life Quotential Balanced Growth Portfolio, Equitable Life Quotential Global Growth Portfolio, Equitable Life Quotential Growth Portfolio, Equitable Life Quotential Maximum Growth Portfolio, and Equitable Life Templeton Global Bond Fund) which invest exclusively in units of the Bissett Dividend Income Fund, Quotential Diversified Income Portfolio,

Quotential Balanced Income Portfolio, Quotential Balanced Growth Portfolio, Quotential Global Growth Portfolio, Quotential Growth Portfolio, Quotential Maximum Growth Portfolio, and Templeton Global Bond Fund respectively.

- Goodman & Company, Investment Counsel Ltd. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Dynamic Power Global Growth Class Fund) which invests exclusively in shares of the mutual fund Dynamic Power Global Growth Class Fund.
- Franklin Templeton Investments Corp. whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Templeton Growth Fund), which invest exclusively in shares of the mutual fund corporation, Templeton Growth Fund, Ltd.
- Mackenzie Financial Corporation whereby we may offer for sale, Annuity Contracts that invest in Segregated Funds (Equitable Life Mackenzie Founders Income and Growth Fund, Equitable Life Mackenzie Saxon Balanced Fund, and Equitable Life Mackenzie Universal U.S. Emerging Growth Fund), which invest exclusively in shares of the mutual fund corporation, Mackenzie Founders Income and Growth Fund, Mackenzie Saxon Balanced Fund, and Mackenzie Universal U.S. Emerging Growth Class respectively.
- MFS McLean Budden Limited whereby Equitable Life may offer for sale Annuity Contracts that invest in Segregated Funds (American Growth Fund, Canadian Bond Fund, Canadian Stock Fund and Equitable Life MFS McLean Budden Canadian Equity Value Fund) which invests exclusively in units of the MFS McLean Budden American Equity Fund, MFS McLean Budden Fixed Income Fund, MFS McLean Budden Canadian Equity Plus Fund and units of MFS McLean Budden Canadian Equity Value Fund respectively. The Asset Allocation Fund is invested in secondary funds based on a mix of pooled funds managed by MFS McLean Budden Limited.

No other contracts have been entered into by the Company since the introduction of the Funds that are material to any Contract owner with respect to the Funds.

S. OTHER MATERIAL FACTS

At the time of filing this Information Folder, there were no other material facts related to the Equitable Pivotal Solutions/ Pivotal Solutions DSC products.

NOTE

NOTE

EQUITABLE LIFE OF CANADA. A wise choice.

Through personal service, superior products and an ongoing commitment to mutuality, Equitable Life can assist you in reaching your financial goals. Whether you're making your first investment, building your financial plan, or looking for ways to protect what is most important to you, we have the solutions you need. With customer-centred staff, and a prudent investment strategy focused on long-term stability, growth and profitability, we also have the focus and expertise you need. In all aspects of your life, we're committed to helping you achieve the financial future you're looking for, by putting you first.



Equitable Life
of Canada®

One Westmount Road North,
Waterloo, Ontario N2J 4C7
Visit our website: www.equitable.ca

® denotes a trademark of The Equitable Life Insurance Company of Canada.