

# Dynamic Dollar-Cost Averaging Fund

## Q&A

### 1. What is Dynamic Dollar-Cost Averaging Fund?

Dollar-cost averaging is an investment technique used to help reduce the risk of timing a single lump-sum investment. By investing a fixed dollar amount at regular intervals, the dollar-cost averaging process helps control the effect of market volatility by smoothing out the average cost per investment unit purchased. Over time, and in certain market conditions, it can result in a lower average price and a higher gain.

Dynamic Dollar-Cost Averaging Fund (DCAF) helps implement this technique by offering a sound, simple, and automatic way to invest in a variety of Dynamic funds.

Every week, 1/52 of the initial investment is transferred to the target Dynamic fund, with the balance remaining in DCAF. After 52 weeks, the initial investment is fully invested in the target fund.

The Fund invests primarily in fixed-income securities issued or guaranteed by the federal or provincial governments in Canada (or an agency thereof) with a maturity of not more than three years.

### 2. What are the benefits of using DCAF?

With DCAF, your clients get

**Choice:** Select from a wide range of Dynamic Funds.

**Discipline and Peace of Mind:** Because your client is continually investing – even in volatile markets – they stay focused on their long-term goals, without trying to time the markets.

**Capital Protection:** While waiting to be deployed, your client's capital is invested in safe fixed income securities.

### 3. What is the tax consequence to a non-registered account for holding units of the fund?

Investors holding units of DCAF will receive distributions, if any, when paid by the fund. Non-registered investors will receive a T3 tax slip reporting the amount of taxable distribution paid to them.

### 4. What are the fees charged and how are they charged?

The management fee on Series A is 1.00% and Series F is 0.50%. The fixed administrative fees are 0.17% and 0.12% respectively. More information on fees can be found in the Simplified Prospectus.

For the target fund, fees are charged as per the management fees outlined in the Simplified Prospectus, with discounts once the investor surpasses \$250,000 per account.

### 5. Can the 52-week timeframe be shortened or lengthened? (i.e. is it customizable?)

DCAF is a completely automated process built for the 52-week period and this timeframe is not customizable.

### 6. Are switches allowed from DCAF before the end of the 52-week period?

#### Full switch

- A full switch can be made at any time. If switching to another DCAF target fund, the 52-week schedule resets at week one of 52.

#### Partial switch

- A partial switch **cannot** be made from one DCAF target fund to another, i.e. DCAF Fund A to DCAF Fund B.
- A partial switch **can** be made from DCAF to non-DCAF. The remaining balance in DCAF will continue to be switched to the original DCAF target fund for the same dollar amount, effectively reducing the 52-week timeframe.

**7. For an investor with assets already in DCAF (ex. 6 months remaining on the DCAF schedule). What happens if an additional investment is made into DCAF?**

A new 52-week DCAF schedule begins for the new investment and the existing DCAF schedule will complete its remaining 6 months as scheduled. This will be the case whether the target fund is the same or different.

**8. Are short-term trading fees applied to switches to the target fund?**

Short-term trading fees are not applicable to DCAF.

**9. How does the redemption schedule work for Low Load and Low Load 2 funds?**

The maturity date of the units carry over to the target fund. The redemption schedule follows the initial purchase that was made into DCAF.

**10. How does DCAF appear on a statement?**

The following statement snapshots consist of a small sample of account and transactional information you can expect to receive in a client-name statement containing DCAF investments.

## Holdings in your account

Fund name and type of sales charge	Number of units you own	Average cost per unit (\$)	Current unit price (\$)	Your cost (\$)	Market value (\$)	% of your account
<b>Cash and cash equivalents</b>						
DCAF - Dynamic Power Global Balanced Class (Series A, FE)	930.4460	9.44	9.44	8,783.43	8,783.41	17.6%
<b>Foreign equity funds</b>						
Dynamic Power Global Balanced Class (Series A, FE)	2,189.5363	18.88	18.72	41,346.22	40,988.12	82.4%
<b>Total</b>				<b>50,129.65</b>	<b>49,771.53</b>	<b>100%</b>

## Summary of your account activity this period

For your reference, we have included at the end of your statement, a **Tax-reporting information** summary of your 2019 capital gains or losses.

Fund name and type of sales charge	Transfers In (\$)	Transfers Out (\$)	Purchases (\$)	Withdrawals (\$)	Distributions (\$)
<b>Cash and cash equivalents</b>					
DCAF - Dynamic Power Global Balanced Class (Series A, FE)		-41,346.22	50,000.00		129.65
<b>Foreign equity funds</b>					
Dynamic Power Global Balanced Class (Series A, FE)	41,346.22				

## Activity this statement period

Date and activity		Amount (\$)	Deductions (\$)	Amount after deductions (\$)	Unit price (\$)	Number of units	Capital gain or loss (\$)
<b>Cash and cash equivalents</b>							
<i>DCAF - Dynamic Power Global Balanced Class (Series A, FE)</i>							
Jan 1	Opening balance	0.00			9.44	0.0000	
Mar 4	You Bought	50,000.00		50,000.00	9.44	5,296.6102	
Mar 11	Automatic Transfer Out	-961.54		-961.54	9.44	-101.8581	
Mar 18	Automatic Transfer Out	-961.54		-961.54	9.44	-101.8581	
Mar 25	Automatic Transfer Out	-961.54		-961.54	9.44	-101.8581	
Mar 29	Reinvested Distribution	21.64		21.64	9.44	2.2924	
Apr 1	Automatic Transfer Out	-961.54		-961.54	9.44	-101.8581	
Apr 8	Automatic Transfer Out	-961.54		-961.54	9.44	-101.8581	

### Foreign equity funds

#### *Dynamic Power Global Balanced Class (Series A, FE)*

Jan 1	Opening balance	0.00			16.47	0.0000	
Mar 11	Automatic Transfer In	961.54		961.54	18.42	52.2009	
Mar 18	Automatic Transfer In	961.54		961.54	18.67	51.5019	
Mar 25	Automatic Transfer In	961.54		961.54	18.63	51.6125	
Apr 1	Automatic Transfer In	961.54		961.54	18.88	50.9290	
Apr 8	Automatic Transfer In	961.54		961.54	18.67	51.5019	

## 11. What are the DCAF options at Dynamic?

FUNDS	SERIES A	SERIES F
	FE	NL
<b>Power Funds</b>		
Dynamic Power Balanced Fund	801	2414
Dynamic Power Global Balanced Class*	1433	3786
Dynamic Power Canadian Growth Fund	853	2416
Dynamic Power Small Cap Fund	142	-
Dynamic Power American Growth Fund	804	2412
Dynamic Power American Growth Class*	809	3785
Dynamic Power Global Growth Class*	864	2417
Dynamic U.S. Balanced Class <sup>1</sup>	2540	-
<b>Value Funds</b>		
Dynamic Global Asset Allocation Fund	800	3782
Dynamic Global Asset Allocation Class*	2693	3781
Dynamic Value Balanced Fund	139	2423
Dynamic Value Balanced Class <sup>2</sup>	891	2422
Dynamic Canadian Dividend Fund	851	2401
Dynamic Canadian Value Class*	805	2402
Dynamic Dividend Advantage Class*	2379	-
Dynamic Value Fund of Canada	840	2424
Dynamic American Fund	841	2400
Dynamic American Class*	2160	-
Dynamic Global Discovery Fund	144	2406
Dynamic Global Discovery Class*	2520	2405
Dynamic Global Dividend Fund	831	2408
Dynamic Global Dividend Class*	898	2407
Dynamic International Discovery Fund	3088	3089
<b>Core Funds</b>		
Dynamic Asia Pacific Equity Fund	879	-
Dynamic Blue Chip Balanced Fund	812	-
Dynamic Blue Chip Equity Fund	814	-
Dynamic Emerging Markets Equity Fund	3568	3569
Dynamic European Equity Fund	855	-
Dynamic Global Balanced Fund	2962	-
Dynamic Global Equity Fund	2920	-
Dynamic International Equity Fund	877	2410
<b>Equity Income Funds</b>		
Dynamic Dividend Income Fund	876	-
Dynamic Dividend Income Class <sup>2</sup>	899	-
Dynamic Equity Income Fund	829	3780
Dynamic Global Equity Income Fund	2779	-
Dynamic Global Strategic Yield Fund	2847	-
Dynamic Retirement Income Fund <sup>3</sup>	2523	2524
Dynamic Small Business Fund	887	-
Dynamic Strategic Yield Fund	1563	2421
Dynamic Strategic Yield Class <sup>2</sup>	1780	2420
Dynamic U.S. Dividend Advantage Fund	2828	-
Dynamic U.S. Equity Income Fund	3187	-
Dynamic U.S. Monthly Income Fund	2484	-
Dynamic U.S. Strategic Yield Fund	3297	-
<b>Fixed Income Funds</b>		
Dynamic Advantage Bond Fund	1914	1917
Dynamic Advantage Bond Class <sup>2</sup>	1810	-
Dynamic Corporate Bond Strategies Fund	2807	-
Dynamic Corporate Bond Strategies Class <sup>2</sup>	2468	-
Dynamic Credit Spectrum Fund	2796	-
Dynamic High Yield Bond Fund	865	2411

FUNDS	SERIES A	SERIES F
	FE	NL
<b>Fixed Income Funds (cont'd)</b>		
Dynamic Investment Grade Floating Rate Fund	2745	-
Dynamic Preferred Yield Class	2905	-
Dynamic Total Return Bond Fund	2563	-
Dynamic Total Return Bond Class <sup>2</sup>	2580	-
<b>Specialty Funds</b>		
Dynamic Alternative Yield Fund	1723	-
Dynamic Alternative Yield Class <sup>2</sup>	2728	-
Dynamic Diversified Inflation Focused Fund <sup>4</sup>	897	2403
Dynamic Energy Income Fund	1221	-
Dynamic Financial Services Fund	811	-
Dynamic Global All-Terrain Fund	2766	-
Dynamic Global Infrastructure Fund	2220	3784
Dynamic Global Infrastructure Class*	2872	3783
Dynamic Global Real Estate Fund	885	-
Dynamic Precious Metals Fund	846	2418
Dynamic Premium Yield Fund	2857	-
Dynamic Premium Yield Class <sup>2</sup>	2978	-
Dynamic Strategic Energy Class*	2120	-
Dynamic Strategic Gold Class*	2320	2419
Dynamic Strategic Resource Class*	2667	-
Dynamic U.S. Sector Focus Class*	2936	-
<b>Liquid Alternative Funds</b>		
Dynamic Alpha Performance II Fund	3804	-
Dynamic Credit Absolute Return II Fund	2754	-
Dynamic Premium Yield PLUS Fund	3364	-
Dynamic Real Estate & Infrastructure Income II Fund	2314	-
<b>Sustainable Solutions</b>		
Dynamic Energy Evolution Fund	3468	3469
Dynamic Sustainable Equity Fund	3666	3667
<b>DynamicEdge Portfolios</b>		
DynamicEdge Defensive Portfolio	2439	-
DynamicEdge Conservative Class Portfolio*	2451	-
DynamicEdge Balanced Portfolio	1930	-
DynamicEdge Balanced Class Portfolio*	1830	-
DynamicEdge Balanced Growth Portfolio	1960	-
DynamicEdge Balanced Growth Class Portfolio*	1860	-
DynamicEdge Balanced Income Portfolio	1235	-
DynamicEdge Growth Portfolio	1980	-
DynamicEdge Growth Class Portfolio*	1880	-
DynamicEdge Equity Portfolio	1760	-
DynamicEdge Equity Class Portfolio*	1900	-
<b>Marquis Portfolios</b>		
Marquis Balanced Portfolio	2170	-
Marquis Balanced Class Portfolio*	5287	-
Marquis Balanced Growth Portfolio	2173	-
Marquis Balanced Growth Class Portfolio*	5297	-
Marquis Growth Portfolio	2176	-
Marquis Equity Portfolio	2179	-
Marquis Institutional Balanced Portfolio	2182	-
Marquis Institutional Balanced Growth Portfolio	2185	-
Marquis Institutional Growth Portfolio	2188	-
Marquis Institutional Equity Portfolio	2191	-

## Dynamic Private Investment Pools

POOL NAME	SERIES A	SERIES F
	FE	NL
Dynamic Tactical Bond Private Pool	3995	3938
Dynamic Premium Bond Private Pool	3993	3964
Dynamic Premium Bond Private Pool Class <sup>1,2</sup>	3994	3967
Dynamic Conservative Yield Private Pool	3895	3942
Dynamic Conservative Yield Private Pool Class <sup>1,2</sup>	3896	3945
Dynamic Active Credit Strategies Private Pool	3892	3903
Dynamic Global Yield Private Pool	3898	3910
Dynamic Global Yield Private Pool Class <sup>1,2</sup>	3899	3907
Dynamic Asset Allocation Private Pool	3893	3913
Dynamic North American Dividend Private Pool	3992	3930
Dynamic International Dividend Private Pool	3991	3934
Dynamic Alternative Managed Risk Private Pool Class <sup>3</sup>	3997	3916
Dynamic Canadian Equity Private Pool Class <sup>3</sup>	3894	3920
Dynamic U.S. Equity Private Pool Class <sup>3</sup>	3996	3923
Dynamic Global Equity Private Pool Class <sup>4</sup>	3897	3926

Fundserv prefix: DYN

<sup>\*</sup> Switching between a Dynamic Corporate Class and its DCAF version will trigger a disposition for tax purposes.

<sup>1</sup> Name change as of May 2019. Formerly Dynamic Power U.S. Balanced Class

<sup>2</sup> Not available for registered accounts or TFSAs

<sup>3</sup> Formerly Dynamic Retirement Income+ Fund

<sup>4</sup> Formerly Dynamic Diversified Real Asset Fund

## Ask your Dynamic Funds Sales Representative for more information on Dynamic Dollar-Cost Averaging Fund.

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