

MarketTracer Term Deposit Gives you More!

Looking for a safe investment with the potential for higher returns? Alterna's MarketTracer® may be for you. The MarketTracer is similar to a term deposit, but the return is based on the performance of the S&P/TSX60 index. So your principal is 100% guaranteed and you can benefit from the potentially higher returns a market investment can provide.

Sure, some other financial institutions offer similar products—but the features of Alterna's MarketTracer beat out the competition:

- Worry-free: 100% guaranteed principal.
- Alterna doesn't cap your return so if the market does well, so do you.
- The way your returns are calculated at Alterna can earn you more than many other index-linked products. For example, we use the monthly average of the index over the term of the MarketTracer vs. the percentage gain of the index between the issue and maturity date. The average return calculation is less risky in the event that the market collapses around the time of your maturity date.
- To top it all off, our participation rate is typically higher.
- Low minimum investment of \$500.

Other features:

- 5-year term
- Funds accessible only at maturity
- RRSP eligible; not RRIF eligible due to structure of product
- Only available periodically throughout the year
- CDIC / DICO eligible

Your Return

With any index-linked term deposit you have the potential to earn more than you might with a fixed rate term deposit, but there is also a risk your return could be zero. So how is your return calculated?

Your return is based on the performance of the S&P/TSX60 index—the most widely traded equity index in Canada. It represents 60 large, publicly traded corporations that operate in the major sectors of the Canadian economy. The exact formulas are as follows:

$$\left[\frac{\text{Average growth of Index} - \text{Initial Index level}}{\text{Initial Index Level}} \right] \times \text{Participation Rate (75\%)} = \text{Your Return}$$

$$\frac{\text{Cumulated Total Monthly Return of Index}}{\text{Term of your MarketTracer (in months)}} = \text{Average Growth of Index}$$

The definitions:

Cumulated total monthly return of index: Addition of the monthly closing levels of the index for each month of your investment.

Initial Index Level (also known as Strike Price): The closing index level on the second business day after the start date of your MarketTracer.

Participation Rate: The participation rate is set by Alterna and provides you with a percentage of the growth in the market index. It is set at the time of purchase and does not change during the term of the MarketTracer.

The investor:

The MarketTracer is best suited for investors looking for:

- **Growth potential:** If you are not satisfied with the current interest rate environment for fixed investments, an index-linked term offers the potential for higher returns.
- **Portfolio diversification and participation in the growth of the Canadian stock market.**
- **Savings:** An equity-linked investment that carries no fees or commissions.
- **Security:** Guaranteed principal, no risk to your initial investment.

The income tax:

Return from the Alterna MarketTracer is considered interest income for tax purposes. If you own this product, consult with your tax advisors to understand your individual situation.



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