

Flexible Payout Service(FPS) Questions and Answers

1. How far in advance of a distribution does Mackenzie require instructions in order to set up the FPS for an investor?

Mackenzie needs to receive the FPS Instruction Form at least 2 business days before the distribution date.

2. When do the regular monthly distributions occur?

The regular monthly distributions occur on the second-last Friday of each month.

3. So, when is the regular monthly distribution for February 2012, and when are instructions required in order to set up the FPS for this distribution?

The second-last Friday of February 2012 is February 17. Therefore, Mackenzie needs to receive the FPS Instruction Form by Wednesday, February 15.

4. How does Mackenzie accept instructions for FPS? Can they be provided through FundSERV?

There is no FundSERV interface for FPS at this time. Therefore, Mackenzie can only accept instructions via a paper-based Instruction Form.

5. Where can I get the FPS Instruction Form?

It is available in the Applications and Forms section of the public site,
www.mackenziefinancial.com/fps

6. Who needs to sign the Instruction Form?

For client name accounts, the client and advisor need to sign the Instruction Form.

For nominee accounts, the advisor needs to sign the Instruction Form, and the dealer/nominee head office stamp is required as well.

7. How do I stop or change an FPS already underway?

There are two ways to stop, change or restart cash payments that have been customized under FPS:

- 1) By submitting an instruction form or
- 2) By submitting a letter of direction.

Please note that, in either case, all of the signature/stamp requirements described in the answer to the preceding question will apply.

8. On which types of fund securities can the FPS be used?

All fund securities that pay a regular monthly distribution at a fixed percentage rate are eligible for the FPS, unless those securities were purchased under Mackenzie's group fee option.

9. Can I use the FPS on fund securities that were purchased under Mackenzie's US dollar purchase option?

Yes, however, direct deposit of cash payouts on these fund securities is not available. Instead, investors will receive their cash payouts in the form of U.S. dollar cheques that Mackenzie will mail to them.

10. Which accounts can use FPS?

All nominee accounts may use FPS. Only the following types of client name accounts may use FPS: taxable accounts and TFSAs.

11. Can the FPS be applied to year-end distributions as well?

No, the FPS only applies to the regular monthly distributions paid on a series of fund securities. If one of these series happens to pay a year-end distribution, that distribution will be automatically reinvested.

12. If I have an FPS running in a nominee account, how does the client receive the cash portion?

The cash portion will be paid to the nominee as is the case with all systematic payouts on nominee accounts. The nominee then gives the cash portion to the client. In client name accounts, the cash is paid directly to the client whether by cheque or direct deposit.

13. Can you select a fixed percentage to be paid monthly (eg. 0.4% per month) as opposed to 4.8% annually?

The percentage payout of cash needs to be expressed as an annual percentage. However, the client can modify this percentage at any time in writing.

14. If it is a monthly percentage, is it calculated on the monthly account balance so that the income would vary month by month? Or is it a fixed percentage of the initial balance?

The fixed percentage is based on the NAVPS of the last business day of the previous year. It is not calculated monthly.

15. Is it eligible for RRIF accounts (provided the percentage exceeds the minimum payout required)?

FPS is available in nominee RRIFs, but not in client name RRIFs.

16. Can the payments be directed to another Mackenzie account (for example, from a RRIF to an OPEN or TFSA) instead of to a bank account?

Yes, the client can request that reinvestment proceeds be directed to another account through a DRIP. However, this is not technically the cash portion.