

# Canadian Investor Protection Fund

## WITH THE CANADIAN INVESTOR PROTECTION FUND, YOU'RE PROTECTED IF YOUR INVESTMENT DEALER BECOMES INSOLVENT

### WHAT IS THE CANADIAN INVESTOR PROTECTION FUND ("CIPF")?

CIPF was established by the investment industry to ensure that client assets are protected - within defined limits - if an investment dealer that is a CIPF Member becomes insolvent. Assets include cash, securities and certain other property such as segregated insurance funds. CIPF is not a government organization. Payments to clients are determined independently by CIPF, not by the investment dealers. For more detail, please visit the CIPF website at [www.cipf.ca](http://www.cipf.ca).

### WHO PAYS FOR THIS COVERAGE AND HOW DO I GET IT?

You, the investor, pay no fees for CIPF protection. Coverage is automatic when you open an account with an investment dealer that's a Member of the Industry Regulatory Organization of Canada (IIROC).

Each investment dealer contributes to a substantial fund which CIPF maintains. CIPF determines the size of the fund and the amount that each investment dealer has to contribute.

### WHO ARE THE CIPF MEMBERS?

Approximately 200 investment dealers across Canada are Members of CIPF as a result of being a Dealer Member of IIROC. All Members are listed on the CIPF website.

All CIPF Members must include either the words "Member-Canadian Investor Protection Fund" or the CIPF logo on your contracts and statements. Members must also display the CIPF logo at their premises.

### ARE THERE LIMITS ON MY COVERAGE?

The limit is \$1,000,000 CDN for any combination of cash and securities. Most investors will have two accounts - a general account and a retirement account - that are each eligible for \$1,000,000 coverage.

If an investor has several general accounts, such as cash, margin, and \$US, they are combined into one account for coverage purposes. Similarly, retirement accounts, such as your registered retirement savings plan (RRSP), registered retirement income fund (RRIF), life income fund (LIF) and locked-in retirement account (LIRA), are combined into one account for coverage purposes.

If you have other types of accounts, you'll want to review the information on the CIPF website as it will help you to determine which of your accounts would be combined.

CIPF doesn't cover losses from market fluctuations, or from the bankruptcy of an issuer of a security or deposit instrument held in your account, no matter how drastic or unfortunate.

### IF THE VALUE OF MY ACCOUNT IS MORE THAN \$1 MILLION, WILL I HAVE A LOSS?

The \$1,000,000 limit applies to your shortfall, which in most cases will be substantially less than the value of your account. For an example, please visit the CIPF website.

### ALL MY ASSETS ARE SEGREGATED. DO I STILL NEED CIPF PROTECTION?

Yes. Even if all your assets are segregated at a Member, you may be allocated a loss under Part XII of the Bankruptcy and Insolvency Act of Canada, the legislation applicable to investment dealer bankruptcy, which would then be eligible for up to \$1,000,000 in CIPF protection as outlined in our coverage policy. For a more detailed explanation, please refer to the FAQ section of the CIPF website.

### WHAT DO I NEED TO DO IF MY INVESTMENT DEALER BECOMES INSOLVENT?

Generally, investors don't have to file individual claims as your monthly statement is considered your claim. Any additional information you'll need will be available on the CIPF website or you can contact CIPF directly.

In most cases, your account will be moved to another investment dealer where you can access it. Alternatively, CIPF may deliver the contents or value of your account to you. To the extent there is an eligible loss, each claim is considered according to the coverage policy adopted.

It's important to remember that you're only covered if your losses result from the insolvency of a CIPF Member. To view the coverage policy, please visit the CIPF website.

**IMPORTANT**

The official brochure can be obtained from any CIPF Member. This is one way to ensure that you are dealing with a CIPF Member.

Check the Member Directory on CIPF's website to confirm you are dealing with a Member of the Canadian Investor Protection Fund.

For more information on CIPF, please visit [www.cipf.ca](http://www.cipf.ca) or call toll-free at 1 866 243 6981 or 416 866 8366 or email: [info@cipf.ca](mailto:info@cipf.ca).

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