SAVINGS &
INVESTMENTS

New regulatory requirement on the total cost of investment

FAQ

MAY 2026

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1. What is changing and why?

Your clients' annual statements dated December 31, 2026, will include a more detailed and transparent presentation of fees.

This initiative, launched by the Insurance Regulatory Council of Canada (IRCC) and the Canadian Securities Administrators (CSA), aims to better inform clients about all the fees associated with their investments and help them make clear decisions.

The first statements reflecting these changes will be sent out in early 2027.

2. Who is impacted by this requirement?

It applies to:

- Insurers offering individual segregated fund contracts
- Investment fund managers in the securities sector
- Brokerage firms
- Advisory firms

3. Which investment products are impacted?

- Segregated funds
- Mutual funds
- Exchange-traded funds (ETFs)
- Other products with integrated fees

For the Beneva clients you support, the changes apply to **investment accounts** and **segregated funds**.

4. What will change on your clients' annual statements when it comes to fees?

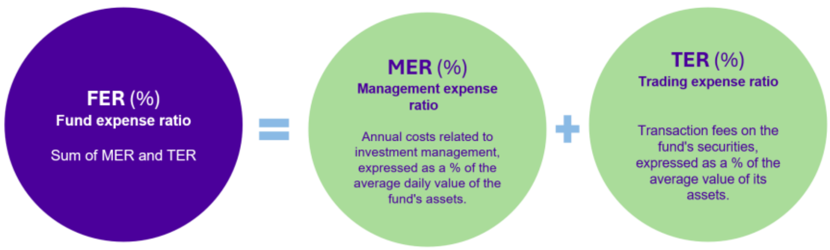
For more transparency, starting in early 2027 the annual statement will, for the first time, show your clients the total cost of their investments—both in dollars and as a percentage.

The fees are not changing. Only the way existing fees are presented will be modified.

This requirement applies only to the annual statement.

5. What new fee details will be added to the annual statement?

- The **fund expense ratio** (FER) shown as a **percentage** for *each fund held*. It represents the **total cost of managing and operating the fund**, which is the sum of the management expense ratio (MER) and the trading expense ratio (TER).



- **Fund fees (indirect):** Total fees of the investment funds held under the contract, presented **in dollars**. There will be no breakdown of the initial or trailing commissions amounts paid to the advisor.
- **Direct fees:** Paid directly from the value of the contract, such as redemption fees, transaction fees or capital guarantee fees.

6. How will these changes be shown on the statement?

The detailed fees will appear in the December annual statement. We will share a preview in the fall to present the new information to you before it is sent to clients.

7. Why are these new fee details being included now?

Previously, it was not mandatory to provide a detailed breakdown of fees on statements.

Today, the new requirement asks the industry to clearly show all fees for greater transparency and understanding.

Our goal is simple: to help you and your clients clearly understand these changes and explain them with confidence.

8. How does this requirement improve your clients' experience?

Your clients will notice a clear difference in their statements. They will be able to compare products more easily, understand the impact of fees on their investments, and ask the right questions to make clear decisions.

9. How to guide your clients?

Your main role is to reassure your clients and explain what's changing. Here are a few ways to help:

- Clearly explain returns and the different types of fees
- Reassure them that fees themselves are not changing— only the way the existing fees are presented will be modified

- Answer questions in a clear, educational way and encourage open discussion
- Highlight the value of your advice and ongoing support
- Focus the conversation on performance and the real benefits of the funds
- Highlight the peace of mind that comes from your expertise

And you're not alone in this transition. Our teams are putting everything in place — **tools, key messages, and easy to use communications** — to support you as you guide your clients throughout the year.

10. How will your compensation appear in the statement?

Your compensation will be included in the fund expense ratio (FER) shown in the statement. It will not appear as a separate line item in the client's statement.

Next steps to help you prepare with confidence

FAQ: We answer your most common questions. This FAQ will be updated on an ongoing basis.

Information folder and Fund Facts: Consult these first updated documents, compliant with the TCR requirements:

To be updated on	Segregated funds	Investment accounts
May 26, 2026	Information Folder and Contract Fund Facts	N/A
June 2, 2026	Monthly profiles	Account Facts

New investment statement: Detailed fees will appear in the December statement. We will share a preview in the fall.