

(X) Meeting your need for tax-efficient cash flow.

## Why T-Class?

T-Class helps satisfy cash flow needs with the choice of three annual, targeted options paid monthly: Class T4 (4%), Class T6 (6%) and Class T8 (8%).

## How T-Class Works

T-Class cash flows generally include income generated by the underlying securities in the portfolio as well as a possible return of capital (ROC) component, which is a top-up, if necessary, to meet the annual cash flow target.

**Return of Capital** refers to a portion of your original investment paid out that is not considered ordinary income, dividends or a capital gain. It is generally not taxable when received, but reduces the adjusted cost base of the units held in an investment, resulting in potentially higher capital gains when the units are sold.<sup>1</sup>

**Adjusted Cost Base (ACB)** is an amount used when calculating capital gains or losses for income tax purposes when selling units. The ACB is deducted from the proceeds of sale to determine the capital gain or loss. In this case, it refers to the original cost of the units plus the amount of reinvested distributions less return of capital distributions.

## Key Benefits

### Multiple Payout Options Available

With multiple payout options, you can tailor your investments to meet your cash flow needs through three annual targeted options, paid monthly

### Growth Potential

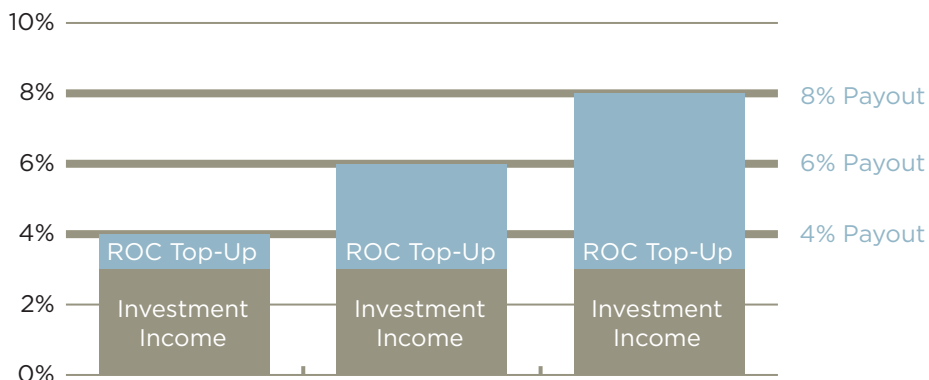
Provides a monthly payout while fully participating in the capital markets. This offers you the best of both worlds without a trade-off between income generation and capital growth

### Tax-efficiency

T-Class is a tax-efficient income solution as it allows you to potentially defer tax on return of capital distributions. Distributions can include dividends, capital gains and/or ordinary income, but may also include a tax-efficient return of capital<sup>1</sup>

Assuming a 3% investment income that is comprised of capital gains, dividends and interest income.

■ Investment income from underlying securities  
■ ROC portion of cash flow



## Tax-Efficient Solution

This table demonstrates the impact of income tax on \$10,000 of various types of income. With T-Class, ROC distributions are tax-deferred in the year that they are received<sup>1</sup>, allowing investors to retain a greater portion of their income on an after-tax basis.

Description	Return of Capital	Interest	Eligible Dividend Income	Capital Gains	RRSP or RRIF Withdrawals
<b>Dollars Received</b>	<b>\$10,000</b>				
Tax rate	0%	46%	23%	23%	46%
Income tax	\$0 <sup>1</sup>	\$4,600	\$2,300	\$2,300	\$4,600
What you keep	\$10,000	\$5,400	\$7,700	\$7,700	\$5,400

Based on a maximum marginal tax rate of 46% on ordinary income

<sup>1</sup>Your adjusted cost base will be reduced by the amount of any return of capital. If your adjusted cost base goes below zero, then you will realize immediate capital gains on the amount below zero.

Advisor Contact Details

[www.renaissanceinvestments.ca/axiom](http://www.renaissanceinvestments.ca/axiom)

## Features

### Choice

You have the choice of three annual, targeted cash flow options: Class T4 (4%), Class T6 (6%) and Class T8 (8%), paid out monthly

### Flexibility

T-Class units are designed to provide the flexibility necessary to meet your unique cash flow needs. Should your needs change, you have the opportunity to convert from one cash flow option to another within the same portfolio without triggering a taxable event

### Availability

Now available through the **Renaissance Optimal Income Portfolio** and all **Axiom Portfolios**