

Explanation of Investment Management Fees and Fund Operating Expenses

Fees applied to the St. Thomas Pension Plan fall into two categories: investment management fees (IMFs) and fund operating expenses (FOEs).

IMFs

IMFs represent fees paid to the investment manager for their professional services including the daily management of each fund. IMFs include Great-West Life's (GWL) fee for the cost of administering and providing services to our plan. IMFs are based on the asset value of each fund and are paid directly from the fund each day. The IMFs do not include applicable taxes and FOEs.

FOEs

FOEs are fees charged directly to the fund to cover costs including audit and custodial fees, fund transaction costs, taxes paid by the fund, bank fees, fund valuation and reporting. FOEs may be associated with a third party investment manager's underlying funds and/or GWL's segregated funds. The total amount of FOEs is calculated at the end of each year. The amount reported to you will usually be the previous year end charges calculated as a percentage of the fund. This does not include applicable taxes, which are also charged.

Where to Find Information on IMFs and FOEs for the St. Thomas Plan

Step 1 – Go to the GWL website (www.grsaccess.com) and login to your account.

Step 2 – Select the '*Investments*' tab at the top of the screen.

Step 3 – Select the '*Investment management fee & expense*' tab on the left of the screen

Here you will find the annual fees (before taxes are applied) of the funds in the St. Thomas portfolio.

Example of How Fees and Taxes are Applied

Let's use the fee information for the Conservative Allocation Fund to help illustrate how fees are charged:

Asset Allocation Funds

Conservative - income oriented, lower risk

CONSERVATIVE PROFILE (PSG)

0.539%

0.539% represents the Annual Fee (or annualized charge) which includes both the IMF (0.500%) and the FOE (0.039%).

The IMF for the Conservative Allocation Fund is 0.500% (annually). As stated in the explanation above, IMFs are paid directly from the fund each trading day. There are 251 trading days in a year, so the daily IMF is calculated by dividing the annual IMF (0.500%) by the number of trading days (251) which is equal to 0.001992%.

The FOE for the Conservative Allocation Fund is 0.039% (annually). As stated in the explanation above, the FOE is calculated and charged at the end of each year.

HST is applied to both the IMF and the FOE before the fees are deducted from your investment fund returns.