

Alterna's MarketTracer Canadian Index Term Deposit

An investment that gives you the best of both worlds! Alterna's MarketTracer is similar to a term deposit, but the return is based on the performance of the S&P/TSX60 index. That means, you can participate in the Canadian stock market while guaranteeing 100% of your principal investment.

Key Benefits

- **Growth Potential:** Higher return potential based on the performance of some of the largest companies in Canada
- **Diversification:** Participation in the Canadian stock market
- **Peace of mind:** Guaranteed principal, no risk to your initial investment

Alterna's MarketTracer at a glance

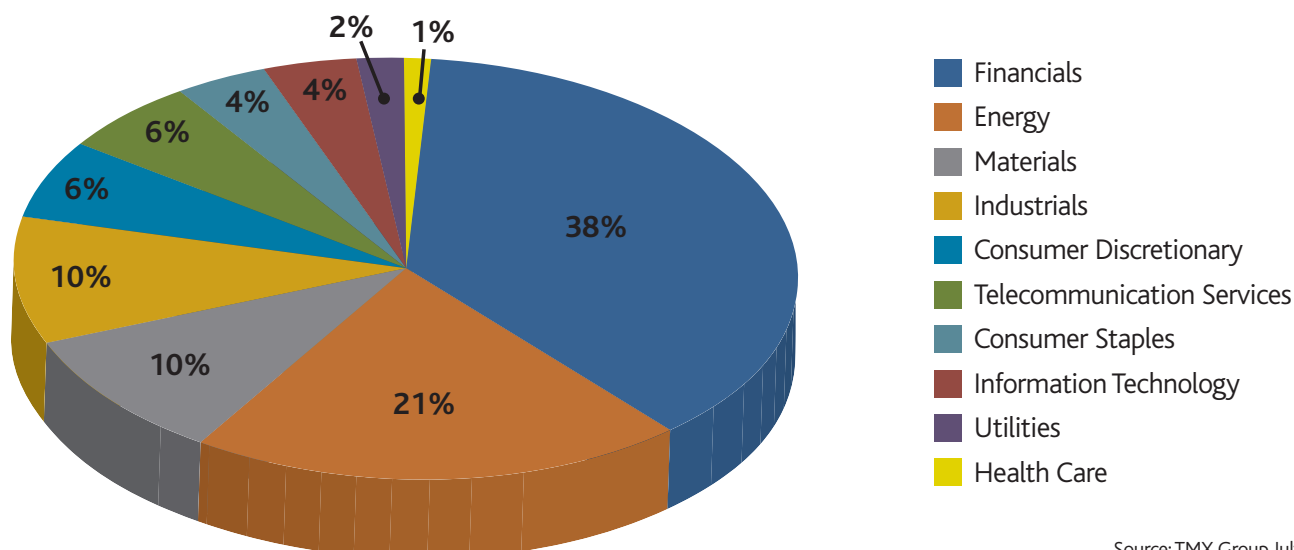
Sales Period: July 30, 2018 to August 31, 2018

Index	S&P/TSX60
Term	3 or 5 Years (non-redeemable)
Minimum Investment	\$500
Principal Guaranteed	Yes
Cap on Returns	None, Alterna doesn't cap your return so if the market does well, so do you
Market Participation	75% for the 3 year term, or 125% for the 5 year term
Plan Eligibility	RRSP and TFSA
CDIC / DICO Eligible	Yes

Overview of the Canadian Index

The S&P/TSX60 Index is made up of 60 of the largest publicly traded, blue chip companies in Canada. Their stock values are tracked daily and reflected in the index, which acts as an indicator of market performance.

S&P/TSX 60 Composition and Weightings



Source: TMX Group July 2018

Your Return

Alterna uses the monthly average of the index over the term of the MarketTracer vs. the percentage gain of the index between the issue and maturity date. **The average return calculation is less risky** in the event that the market declines around the time of your maturity date.

Your return is based on the performance of the S&P/TSX60 index—the most widely traded equity index in Canada. The exact formulas are as follows:

$$\left[\frac{\text{Average growth of Index} - \text{Initial Index level}}{\text{Initial Index Level}} \right] \times \text{Participation Rate} = \text{Your Return}$$
$$\frac{\text{Cumulative Total Monthly Return of Index}}{\text{Term of your MarketTracer (in months)}} = \text{Average Growth of Index}$$

Definitions

Cumulative total monthly return of index: Addition of the closing values of the index on each valuation date of the term.

Initial Index Level (also known as Strike Price): The closing value of the index on the start date of the term.

Participation Rate: The participation rate is set by Alterna and provides you with a percentage of the growth in the market index. It is set at the time of purchase and does not change during the term of the MarketTracer.

Is the MarketTracer right for you?

Alterna's MarketTracer Canadian Index Term Deposit is right for you if you:

- ✓ Are looking for the potential to earn higher returns associated with the S&P/TSX60
- ✓ Want to diversify your investment portfolio
- ✓ Want peace of mind knowing your principal is protected
- ✓ Will not need access to your funds during the term of the investment

For more information or to invest in the Alterna MarketTracer Canadian Index Term Deposit, contact us today.



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Alterna refers to both Alterna Savings and Credit Union Ltd (operating as Alterna Savings) and CS Alterna Bank (operating as Alterna Bank). Alterna Bank is a wholly-owned subsidiary of Alterna Savings. Alterna Savings is a member of the Deposit Insurance Corporation of Ontario. CS Alterna Bank is a member of the Canada Deposit Insurance Corporation.

The Market Tracer is not a direct investment in the securities. Members and clients are entitled to the price-only return which does not include distributions or dividends of the underlying securities.