



Focus

DGC
DIRECTORS GUILD OF CANADA
LA GUILDE CANADIENNE
DES RÉALISATEURS

Spotlighting your DGC Retirement Savings Plan

April 2007

The benefits of change

Changes offer opportunity to boost retirement savings

The DGC Retirement Savings Plan is about the future... your future. More specifically, it's about helping you save for a financially secure retirement. That's a pretty important objective.

To help ensure you achieve that objective, we're making some changes to your retirement savings plan. Effective April 2, 2007 we're:

- updating the list of investment options offered under the plan
- offering new RSP educational seminars, both web-based and in person
- phasing out funds that will be removed from the DGC plan by June 22, 2007
- taking steps to encourage members to leave their money in the plan for a financially secure future

Because of these changes, we're encouraging all plan members to review and update their investment selections. This bulletin is designed to help. It provides details on how to enroll and outlines several factors you may want to consider when making your investment selections.

We encourage you to read the bulletin carefully. After all, it's about your retirement savings. It's your future... your choice.

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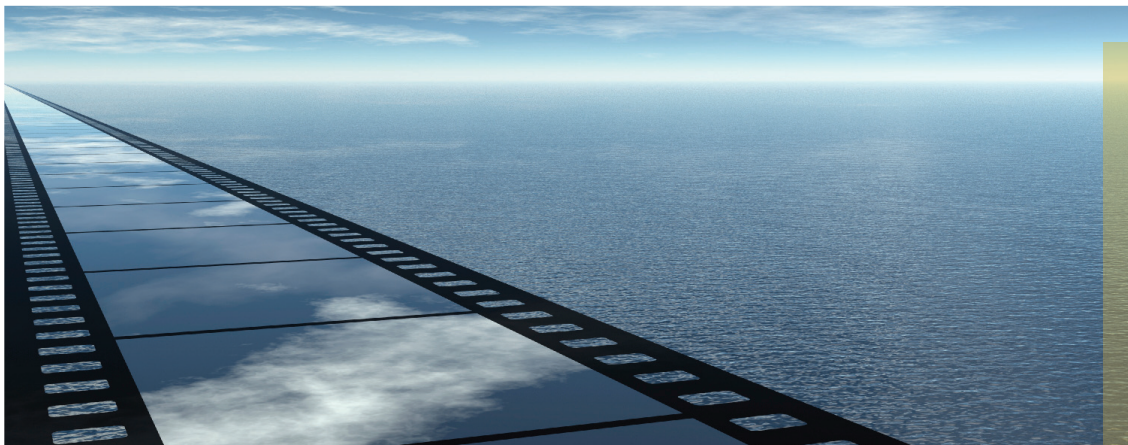
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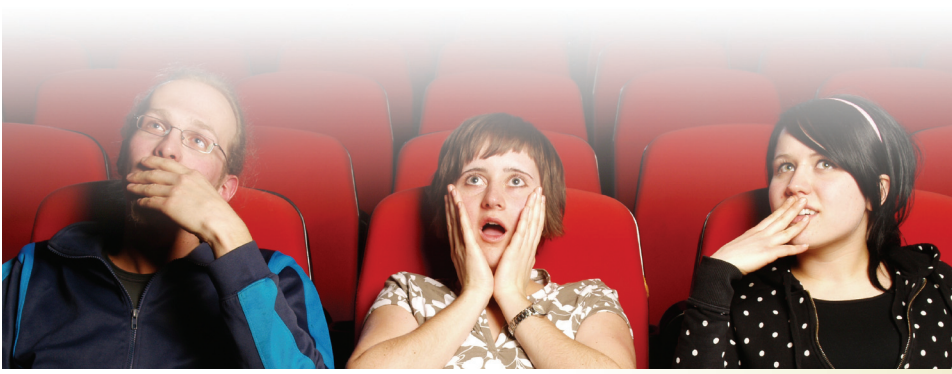
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A scary thought

Three forbidding (and fixable) facts about your plan

Okay... so maybe they're not as scary as a tarantula crawling across your face. But they're still scary. Real scary. *They* being some little known facts about your DGC Retirement Savings Plan. So what are they? Here *they* are... and if they apply to you, we urge you to take action.

Fact	Why that's so scary	What you should do
<p>The majority of members with money invested in the retirement savings plan have never enrolled...<i>(and may not even know they have money in the plan).</i></p>	<p>If you haven't enrolled, Manulife (the administrator for the DGC Retirement Savings Plan):</p> <ul style="list-style-type: none"> • will not have your address and may not be able to contact you or send you an RRSP tax receipt; • will not know how you want your money invested (so it's deposited in a "default" fund); and • will not have your beneficiary on file (which means if you die, your money will go to your estate). 	<p>If you haven't enrolled – do it now! If you know someone who hasn't enrolled, tell them to contact Manulife Financial.</p>
<p>82% of individuals with money in an RRSP account and 73% of individuals with money in a non-registered savings account have never told us how to invest that money.</p>	<p>If you don't tell Manulife how to invest your money, it is deposited automatically in a "default" fund. The default fund is a money market fund. As a general rule, money market funds provide a high level of security, but a lower rate of return.</p>	<p>Fill out an enrolment form telling Manulife where to invest your money. The retirement savings plan offers 14 different investment options – including 11 different investment funds and three different guaranteed interest accounts.</p>
<p>More than three quarters of the contributions deposited in the retirement savings plan are withdrawn within a year. In 2006:</p> <ul style="list-style-type: none"> • Of the \$2.3 million deposited in a non-registered savings account, all of it (and some) was withdrawn. • Of the \$2.1 million deposited in an RRSP account, \$1 million was withdrawn. 	<p>If you withdraw money:</p> <ul style="list-style-type: none"> • you may end up not saving enough for retirement, • the money will be taxed as income (and will be subject to a withholding tax) if it is withdrawn from an RRSP account, • you increase the cost of administering the plan (which costs us all in the end), and • you will have to pay a withdrawal fee. <p>In addition, if the money is withdrawn from an RRSP account, you will lose – forever – the RRSP contribution room associated with those funds.</p>	<p>We appreciate that in our industry a steady income is the exception, not the rule. You may, from time-to-time, find it necessary to dip into your savings. However, to the extent possible, we encourage you to manage your cash flow so that you can leave your retirement savings intact. That may be easier said than done... but it will help to ensure you have a financially secure retirement.</p>

The DGC is working hard to ensure that everyone gets the information they need to enroll and make informed decisions about their retirement savings. But the onus is on you to make sure Manulife has your address – so we can get that information to you.

Action!



Get with the program... enroll already!

You may already be enrolled in the DGC Retirement Savings Plan. Then again, maybe not. If you haven't enrolled already, you need to do it now. If you have, it's a good idea to check your information to make sure it's up to date. Here's why.

If you *have not* enrolled before...

You *need* to enroll to:

- Tell Manulife where you want your money invested. Until you enroll, your money will be invested in a “default” fund that may not reflect your retirement income goals.
- Make sure Manulife has your address, so they can keep you posted on your retirement savings and send you your tax receipts.
- Name a beneficiary for your retirement savings – in order for your money to be allocated according to your wishes in the event of your death.

If you *have* enrolled before...

You *should*:

- Make sure your address is up to date.
- Review your investment selections (based on the updated list of available funds) to make sure they still reflect your retirement income goals.
- Update your contact or beneficiary information, if necessary.

Not sure if you've already enrolled? You can find out. Simply contact Manulife customer service at 1-888-727-7766.

That's the scoop on *why* you should or need to enroll. Here's *how* to go about it.

Step 1:

- **READ** this bulletin carefully. It provides an overview of the plan changes and your new investment options.

Step 2:

- **REVIEW** your current investment selections *and* familiarize yourself with the new investment options, so that you can make informed investment decisions. Fund descriptions can be requested by calling Manulife directly, or accessed anytime online through the Manulife Financial website at www.manulife.ca/gro.

If you want to see where your money is invested now, you can view your accounts online. If you have not viewed your account online before, you will need to call 1-888-245-5588 first and request a PIN number. The PIN number is needed to log-on and access your account online.

Step 3:

- **DECIDE** where you want to invest your existing savings and future contributions, choosing from the list of available funds.

When reviewing your investment selections, keep in mind that any money you have invested in a guaranteed interest account (GIA) is invested for a specified term (one, three, or five years). If you cash in a GIA early, a penalty fee will be charged. You may want to hold any GIAs until they reach the end of their term. At that point, you can move the money without having to pay a penalty.

Step 4:

- **DOWNLOAD** the applicable Retirement Savings Plan (RSP) enrolment form from the DGC website (<http://www.dgc.ca/page.php?id=309>). This is the form used to make your investment selections, provide Manulife with your personal information, and designate a beneficiary. You'll also find on the site the forms you need to:
 - make voluntary contributions to your RSP account;
 - transfer money from a personal RRSP account to the DGC Retirement Savings Plan; and
 - update your personal information (e.g., your mailing address or beneficiary).

Step 5:

- **SUBMIT** your completed enrolment form. Because an original copy of your signature is required to enroll you in the plan, you must sign the enrolment form and *mail it* to Manulife. Once you've enrolled, any other RSP forms you need to submit can be faxed directly to Manulife at 519-747-6895.

If you have any questions about the enrolment process – or your DGC Retirement Savings Plan in general – please contact Justin Wagar, DGC Membership Manager:

- by phone – at 416-482-6640 (toll free at 1-888-972-0098), or
- by e-mail – at rsp@dgc.ca.

Summing up

Here's what's new... and how it affects you

Following is a high-level summary of the changes, the reasons behind them, and their potential impact on you.

INVESTMENT OPTIONS

- **What:** We are replacing three of our investment options, as shown in the table below.

Current fund	Replacement fund
Seamark Canadian Equity Fund	Jarislowsky Fraser Canadian Equity Fund
Seamark Balanced Fund	Jarislowsky Fraser Balanced Fund (RRSP) AIM Trimark Income Growth Fund (non-registered)
Seamark International Equity Fund	Manulife International Equity Fund

The three new funds are already in place – they were added to the list of available investment options on April 2, 2007. That means you can invest in them any time you want. The outgoing Seamark funds will be deleted from the list of available investment options as of June 22, 2007.

- **Why:** There have been significant changes at Seamark – at both the executive and fund manager level. Although those changes have not – to date – affected fund returns, we felt it prudent to transition to funds with a stable and proven leadership.
- **The impact:** If you have money in one of the three Seamark funds, you need to move it to one or more of the other investment options *before* June 22, 2007. If you don't move it before then, the money will be automatically “mapped” to the corresponding replacement fund.
 - If the money is in an RRSP account, it will be moved on a tax-sheltered basis.
 - If the money is in a non-registered savings account, it cannot be transferred on a tax-sheltered basis. The transfer will likely result in either a capital gain or loss that must be reported in the tax year in which the transfer takes place.

If you want to move your money before June 22, 2007, you can do it in one of two ways:

- you can call Manulife at 1-888-727-7766, or
- you can do it online at www.manulife.ca.

Transfers will be reflected on the June 30, 2007 statement you receive from Manulife. Please check this statement carefully and report any concerns you may have to Manulife.

Whether or not you have money invested in a Seamark fund, we strongly recommend that you take this opportunity to review

your investment selections (based on the new range of options) and complete the enclosed enrolment form.

WITHDRAWAL FEES

What: Starting June 25, 2007, there will be a \$50 fee each time you withdraw money from a DGC Retirement Savings Plan account – regardless of whether it's an RRSP or non-registered savings account. (That said, there is no fee for transferring money between accounts in the DGC Retirement Savings Plan, including transfers between non-registered savings and RRSP accounts.)

Why: The purpose of the fee is two-fold.

1. We want to encourage members to keep their money in the plan to save for retirement. Currently, that's not happening. Of the \$2.3 million deposited in a non-registered savings account in 2006, all of it was withdrawn the same year. Of the \$2.1 million deposited in an RRSP account in 2006, \$1 million was withdrawn that same year.
2. Because withdrawal rates are so high, we need to offset the higher-than-expected costs associated with processing those withdrawals.

It's worth noting that some savings plans do not allow any withdrawals. Those that do, tend to have withdrawal fees comparable to the one being introduced by the DGC Retirement Savings Plan.

The impact: Each time you withdraw money from the retirement savings plan, \$50 will be deducted from your account to offset the cost of processing your withdrawal. This withdrawal fee will apply to funds withdrawn from an RRSP account, as well as funds withdrawn from a non-registered savings account.

INVESTMENT FEES

What: Starting June 25, 2007, the investment fees you pay for the DGC Retirement Savings Plan will go up by 0.4%. The actual fees will vary from one fund to another, ranging from 1.05% to 2.2%.

Why: The fees were raised by Manulife, the plan's administrator, so that they are on par with what other administrators charge. Just to be sure, the DGC has obtained quotes from other administrators to confirm that the new fees are competitive.

The impact: Fees are deducted from the total assets you hold in each fund. The higher the fees, the more money that is deducted. That said, it's important to remember that:

- the new fees are competitive with what other plans charge,
- the assets of each fund are invested by professional money managers, and
- there are no fees to change your investment options within your RRSP or non-registered savings accounts.

The deep "freeze"

The money you have in the DGC Retirement Savings Plan (including RRSP and non-registered savings accounts) will be "frozen" between June 21st and June 25th. In other words, you will not be able to conduct any account transactions.

Accounts will be frozen to give Manulife, our plan administrator, time to value and move assets. Any instructions for withdrawals, deposits and/or transfers received *during* the "freeze", will be processed on the first business day *following* the freeze.

Your investment options

Revised list focuses on quality

Following is a list of the investment options that will be available as of June 22, 2007. The three new investment options are marked with an asterisk. For information on each of these funds, please refer to Manulife's website at www.manulife.ca/gro.

GIC	Canadian Equity
1-year (Manulife)	Manulife Canadian Small Cap Equity
3-year (Manulife)	Jarislowsky Fraser Canadian Equity *
5-year (Manulife)	
Money Market	International Equity
Manulife Canadian Money Market	Manulife International Equity (Templeton) *
Bond	Global Equity
MFC Global Pooled Canadian Bond Index	AIM Trimark Global Equity
PH&N Bond	McLean Budden Global Equity
Balanced	US Equity
AIM Trimark Income Growth	Manulife U.S. Equity
Jarislowsky Fraser Balanced *	

So, how do you know which fund – or combination of funds – is right for you? It depends on a variety of factors, such as:

- your investment objectives,
- your comfort with investment risk,
- how long you have until retirement, and
- your financial situation.

To help you select an appropriate investment mix, Manulife provides an online *Investor Strategy Worksheet*. This tool, which can be found at www.manulife.ca, will help you determine your "investor style" and suggest the type of investments that suit your profile.



Investing in *your* future

Six compelling reasons to make additional contributions

You don't *have* to make additional contributions to your DGC Retirement Savings Plan. It's up to you. After all, the producers contribute to the plan on your behalf if you are working. That said, there are many good reasons why you might *want* to make contributions of your own. Here are six of those reasons:

1. **Convenience.** You can make contributions through the convenience of regular payroll deductions. You can also check and manage your investments online. And, you can move your other savings into the plan – so that you have the convenience of one-stop investing.
2. **Access.** The retirement savings plan gives you access to investment funds that often aren't available to investors with modest amounts of capital to invest.
3. **Expertise.** It takes know-how and time to research individual investments. Many of us don't have either the know-how or time. The investment funds offered under the retirement savings plan are selected and managed by investment professionals.
4. **Diversification.** The retirement savings plan offers you access to 14 different investment options – including 11 different investment funds. Each fund has holdings in a wide range of assets. Even better, you can invest in more than one fund. That means a modest investment can provide you with significant diversification.
5. **Low fees.** The investment funds available under the retirement savings plan offer competitive investment management fees. And unlike many investment funds, there are no service fees for moving money from one fund to another.
6. **Income tax relief.** Contributions to your RRSP account are tax deductible. And, because you make contributions through payroll deductions using pre-tax dollars, that tax relief is immediate.

Most of us would agree that saving for retirement makes good sense. The DGC Retirement Savings Plan also makes it easy, economical and efficient. It's yours to use.

SIX REASONS TO SAVE 1. Convenience • 2. Access to a range of investment options • 3. Investment expertise • 4. Diversification of assets • 5. Low fees • 6. Income tax relief

Consider the impact

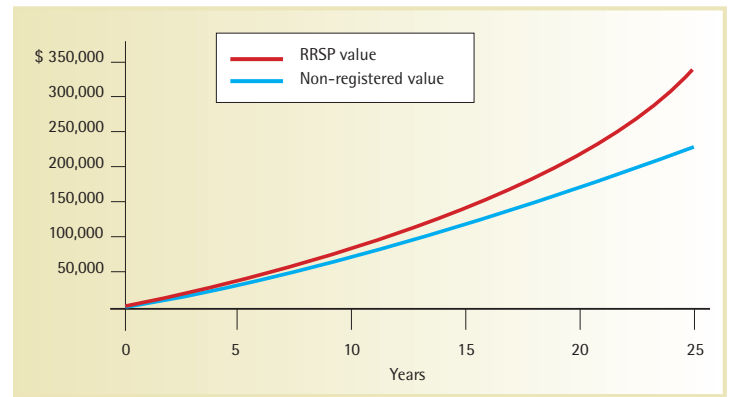
Registered vs. non-registered

Contributing to your DGC Retirement Savings Plan – even a few dollars each pay – can make a big difference in your retirement savings. Just how big? It depends... on the size of the contributions... and whether they are invested in an RRSP or non-registered savings account. The graph to the right tells the tale.

The red line shows you how saving \$5,000 each year in an RRSP may grow over a 25-year period. The blue line shows you how saving the same \$5,000 each year over a 25-year period may grow in a non-registered savings account. In both cases, the annual rate of return is 7%.

The difference? The RRSP lets you invest and build your savings on a tax-deferred basis. This means that you pay no tax on your investment income during the entire period that your money stays in your account. Investment income earned in the non-registered savings account, on the other hand, is taxable. The amount of tax you pay depends, in part, on how your money is invested. The graph assumes a tax rate of 40%.

Impact of saving in a registered account



This graph is for illustrative purposes only.

As you can see, when it comes to saving for retirement, putting your money in an RRSP versus a non-registered savings account is a smart move. If you have money in a non-registered savings account, remember that you can – depending on your available RRSP room – move it into an RRSP account. But it's up to you to make the move.

In a nutshell

A high-level look at a well-grounded savings plan

Your DGC Retirement Savings Plan is a valuable benefit. But how does it work and who can belong? Here's a quick overview.



Who can participate?	If you've worked on a production covered by a Directors Guild Standard Agreement, then your participation is automatic.
Who pays?	For every production covered under a Directors Guild Standard Agreement, the producer will automatically contribute an amount up to 6% of your earnings. You also have the option of supplementing your savings by making additional voluntary contributions.
Where is the money deposited?	<p>Producer contributions will be deposited in a retirement savings account set up in your name.</p> <ul style="list-style-type: none"> If you work for a loan-out company, the contributions will be deposited in a non-registered savings account. If you work directly for the producer, the contributions will be deposited in a registered retirement savings plan (RRSP) account. In the case of voluntary contributions, you decide whether to deposit them in an RRSP or non-registered savings account.
Who decides how my money is invested?	You do – as long as you have formally enrolled in the plan. You can choose from a range of professionally managed investment funds. If you have not enrolled, your money will be invested automatically in a "default" fund (see "Action!" on page 3).
What are my investment options?	There are 14 different investment options to choose from – including 11 different investment funds (i.e., funds invested in stocks and bonds) and three guaranteed interest accounts (with a choice of 1, 3 and 5-year terms).
What happens to my money when I retire?	The money in your retirement savings account can be used to provide you with a retirement income.
Can I withdraw money before I retire?	<p>Yes. However, keep in mind the following:</p> <ul style="list-style-type: none"> The purpose of the retirement savings program is to help you save for a financially secure future – so we encourage you to leave the money invested. If you withdraw money from an RRSP, it will be taxed as income and will be subject to withholding tax. If you withdraw money from a non-registered savings account, you may have to pay capital gains (i.e., a tax on any increase in the value of your investment). There is a \$50 fee for all withdrawals.

About this bulletin

Focus provides summary information about your DGC Retirement Savings Plan. It is not intended to be complete or comprehensive, or to provide financial or legal advice. If there are any discrepancies between this bulletin and the wording of the legal documents that govern the DGC Retirement Savings Plan, the legal documents will apply in all cases. Any decisions you make based on the information provided in this bulletin – or any accompanying documents – are your responsibility.

If you have questions about the DGC Retirement Savings Plan, or would like a copy of the legal documents, please contact Justin Wagar at 416-482-6640 (toll free at 1-888-972-0098) or by e-mail at rsp@dgc.ca. To get a copy of any DGC Retirement Savings Plan forms, go to the DGC website at <http://www.dgc.ca/page.php?id=309>.