

## **Starnews Investment Shares FAQ**

### **What are the benefits of Investment Shares to members?**

Investment Shares are a good long-term investment option for members. They will provide an attractive annual dividend, and because they are RRSP eligible, they are a suitable addition to the RRSP portfolios for many members. Investment Shares have also given members the opportunity to help their credit union build for the future.

### **What are the benefits of Investment Shares to Starnews Credit Union?**

Investment Shares help strengthen the capital base, or financial foundation, of Starnews Credit Union. The funds will help Starnews Credit Union exceed financial capital regulations and provide Starnews Credit Union with the capital necessary to invest in new services and technology.

### **What is the selling period?**

The Investment Shares are sold from November 30, 2008 through May 29, 2009.

### **How many shares are going to be sold?**

Minimum amount of subscriptions should be \$1,000,000 to a maximum of \$3,000,000.

### **When can I redeem my shares?**

Investment Shares may not be redeemed within the first five years after they are issued. After that time only 10% of the total shares issued can be redeemed, and a waiting list will be available for members to go on. However, precedent goes to estate accounts and any RRSPs that must be converted to RRIFs.

### **Are there any limitations on redemption of my Investment Shares?**

Yes. By law Starnews Credit Union is only permitted to redeem 10% of its total Investment Shares in any one fiscal year.

In order of priority, redemptions will be made according to the following reasons:

- Death
- Expulsion from membership
- Converting from an RRSP to a RRIF
- All other requests are on a first-come, first-served basis

### **Can I sell my Investment Shares to another member?**

Starnews Credit Union will try to accommodate these types of requests by matching members who want to sell their shares with those interested in purchasing them, however we cannot guarantee this. The transfer request must be approved by the Board of Directors, and the member purchasing these cannot exceed the \$150,000 limit.

### **What is the planned dividend rate on my shares?**

The dividend is determined each year by the Board of Directors. The size of the dividend can vary from year to year depending on the earnings of the credit union, however our target dividend is 3.00% above our 12 month weighted average term deposit rate.

### **How are dividends paid?**

By default, dividends are paid in the form of interest into your chequing account, savings account or appropriate variable RRSP.

### **When are dividends declared?**

Dividends are declared at the Annual General Meeting and paid no later than the last day of the month in March.

A copy of the Offering Statement must be received and reviewed by all prospective purchasers. This FAQ is not an offering statement. Dividends on the investment shares are not guaranteed. The principal of and returns on investment shares are not insured by the Deposit Insurance Corporation of Ontario.