

More to

GROW

A photograph of two women standing in a field of tulips. The woman on the left is wearing a white lace dress and a straw hat with a black band. The woman on the right is wearing a pink ruffled top and a straw hat with a black band. They are both smiling and looking at each other. The tulips are in various colors, including yellow, pink, and purple. The background is a soft-focus landscape with a blue sky.

Save more with our exclusive

4.25%*

Investment Share Offering

- » Minimum dividend of 4.25%*.
- » The minimum investment is \$1,000 to a maximum of \$2,000,000 per Member, but no more than 5% of the total Class B Investment Shares, Series 4[†] will be sold to any one Member.
- » There is no market through which these securities may be sold, and shares may only be redeemed through DUCA.
- » Class B, Series 4 Investment Shares are now eligible for redemption, as five years have passed since the Issue Date. For details on the redemption process, visit www.duca.com.
- » Investment shares are eligible for both registered plans (RSP, RIF, and TFSA) as well as non-registered accounts.
- » Available for purchase at any **DUCA branch** or by calling **1.866.900.3822**
- » Investment Shares can be purchased by Members only.

* A target dividend rate of 4.25% was declared and paid historically by DUCA. However, declaration of dividends is not guaranteed. Dividends are non-cumulative.

Frequently Asked Questions

What is the cooling-off period for reversing a share purchase, and how do I initiate it?

Members may reverse their decision to purchase investment shares if notice is provided within two business days (excluding weekends and holidays) of signing the subscription form.

Notice is acceptable in ANY of the following three methods:

- 1. Email:** Send an email to the staff member who sold you the investment shares.
- 2. In Person or Via Phone:**
In Person: Visit the originating branch and speak directly with the staff member who sold you the shares, or
Via Phone: Call and speak directly with the staff member who sold you the shares.
- 3. Member Connect Assistance:** If you cannot reach the person who sold you the shares or the branch is closed, call Member Connect at 1-866-900-3822 for assistance.

In all cases, a Cancellation of Share Subscription form must be completed and retained by DUCA, with a copy provided to the Member for their records.

Why is DUCA selling Class B Investment Shares, Series 4⁺?

Class B Investment Shares, Series 4⁺ were first issued in 2019 and are now eligible for annual redemption subject to annual limits. This offering is for Members who are interested in purchasing additional shares from other Members who are looking to redeem.

What is the difference between Membership Shares and Investment Shares?

The difference between Membership Shares and Investment Shares is that Membership Shares must be purchased in order to become a Member of DUCA, while Investment Shares are an optional investment opportunity for DUCA Members.

How can I purchase DUCA's Investment Shares?

You can buy Investment Shares at any DUCA branch or by calling 1.866.900.3822.

Why would I buy Investment Shares instead of a Term Deposit?

Investment Shares and Term Deposits offer different financial benefits and risks. Term Deposits provide a guaranteed return and principal protection with deposit insurance coverage—up to \$250,000 for non-registered accounts and unlimited for registered accounts. In contrast, Investment Shares potentially offer higher returns but come with additional risks such as 1) no deposit insurance 2) no guarantee dividends will be paid and 3) redemption is only permitted after five years and subject to annual limits and board discretion, which means you may not be able to

redeem when you require the funds. A suitability assessment will be performed by DUCA in consultation with you to determine whether Investment Shares are appropriate investments for you.

How do I redeem Investment Shares?

When you're ready to redeem your investment shares, it's important to understand the process and how it might impact your access to funds. Here's a detailed explanation to help you navigate the redemption process:

Eligibility for Redemption: Shares are eligible for redemption now. Please note that redemption is not automatic and involves several steps and considerations.

Redemption Limit: The credit union limits redemptions to no more than 10.00% of Class B Investment Shares of all series issued and outstanding in any one year. This cap is part of our strategy to manage financial stability and ensure fairness to all Members. This is also a regulatory requirement.

Branch Allocation System: Each year, a percentage of the overall eligible redemption pool is allocated to branches based on the value of the investment shares managed at those branches. This means that the availability of funds for redemption at your branch can vary depending on the total investment shares held there by Members.

First Come, First Serve: Redemption requests are processed on a first-come, first-served basis at each branch. This is to ensure that all Members have a fair chance to access their investments. Redemption requests may be submitted as of August 1 in the year proceeding the redemption year. Any unfulfilled redemption requests for the fiscal year will be cancelled and do not carry over to the following year.

Managerial Discretion: Requests for redemption are subject to the discretion of the branch manager and regional vice president. They review each request to ensure that redemptions are handled fairly and in line with the credit union's policy.

Re-Allocation of Unused Funds: If, in any given year, a branch has unused redemption allocations, these funds may be redistributed to other branches that have a higher volume of redemption requests. This is to accommodate more Members wishing to redeem their shares.

Special Considerations: In specific situations, including those involving a trustee, estate matters, or Member expulsion, redemption requests will receive priority handling to ensure urgent or exceptional cases are addressed promptly. If the current year's redemption capacity is reached, these priority requests will be advanced to the top of the queue for the following year.

Understanding these details will help you plan effectively for the redemption of your shares. If you have further questions or need assistance with the redemption process, please contact your local branch.

Can I redeem a term deposit (GIC) that is currently invested in a fixed term in order to purchase Investment Shares?

Yes, DUCA will provide Term Deposit investors with an opportunity to transfer any portion of their existing deposits into Investment Shares hassle-free and at no additional cost even if the transfer occurs prior to the Term Deposit's maturity date.

How are dividends paid?

Dividends, if declared, can be paid in cash in additional Class B Investment Shares, Series 4[†], or in a combination of both.

Will the dividend always be at 4.25%?

It's important for Members considering investment in DUCA to understand the nature of dividend payments thoroughly. While DUCA has a history of paying an annual dividend target rate of 4.25% for Class B Investment Shares, Series 4[†], dividends are not guaranteed.

Dividend Dependence on Profitability: The ability of DUCA to pay dividends is dependent on its profitability in any given year. This means that if the credit union does not achieve sufficient profits, it might not distribute dividends.

Discretion of the Board: The term "at the discretion of the board" means that the decision to declare a dividend each year is made by DUCA's board of directors based on a number of factors, including the credit union's financial health and future needs. Even

if profits are adequate, there may be other strategic reasons for retaining earnings within the credit union.

Non-Cumulative Dividends: If a dividend is not declared in a year, it is not owed in the future. Dividends are non-cumulative, meaning they do not accumulate if not declared in any year.

How are the cash dividends of the Investment Shares treated for income tax purposes?

The dividend is taxable as interest income, but is RSP, RIF, and TFSA eligible.

Can Investment Shares be held in a Locked-In Retirement Account (LIRA) or a Life Income Fund (LIF)?

No, they cannot be held in a LIRA or a LIF.

Are investment shares covered by the Deposit Insurance Reserve Fund (DIRF)?

No, investment shares are not covered by the Deposit Insurance Reserve Fund (DIRF) or any other form of deposit insurance. This means that if you purchase investment shares, your money is not protected by insurance that typically covers savings and checking accounts. Additionally, there is a significant risk that investment shareholders may not recover their capital if the credit union fails. Investment shares rank lower in priority of payment, behind other creditors including depositors and subordinated debenture holders but ahead of claims of holders of Class A Shares and Membership Shares upon liquidation or dissolution of the Credit Union.

Can non-Members purchase these Investment Shares?

No. The Class B Investment Shares, Series 4[†] are offered to Members only.

Please review the Class B, Series 4 Redemption Process FAQ on www.duca.com and then discuss it with a DUCA representative at a [branch](#) or by calling [1-866-900-3822](tel:1-866-900-3822). To find out more about DUCA's historical financial performance and dividend declarations, visit www.duca.com/about-us/CorporateReports.

[†] The Class B Investment Shares, Series 4 have now matured and are eligible for redemption, subject to annual limits. The Class B Investment Shares, Series 4 are not deposits and are not insured by the Deposit Insurance Reserve Fund (DIRF). This is not an Offering Statement. Review Offering Statement for full details prior to purchase. Offer available only to DUCA Members. To become a Member and participate in this Offer, call 1.866.900.3822 or visit a DUCA branch.