

For lifetime guaranteed income



What is it?

The FORLIFE Series is an integral part of the IAG Savings and Retirement Plan made up of two stages. The Savings Stage allows your clients to grow their retirement savings while benefitting from a unique income guarantee that protects them against market downturns. The Income Stage offers your clients a source of stable lifetime guaranteed income as well as access to the market value of their investment.

Who is it for?

The FORLIFE Series mainly targets clients between 50 and 75 years of age who are looking to guarantee their level of future retirement income or set up an immediate retirement income that is stable and guaranteed for life. The following types of clientele would be particularly interested in the advantages of the FORLIFE Series:

- Clients with no pension plan
- Guaranteed investment certificate clients
- Mutual fund clients worried about market risks as retirement approaches
- Segregated fund clients who appreciate the advantages of guarantees

Advantages of the FORLIFE Series for your clients

Security

- Stable lifetime guaranteed income
- Access to market value
- Unique income guarantee
- Estate protection in the event of death

Freedom to choose

- From a diverse range of funds in the Savings Stage and two funds in the Income Stage*
- Retirement income start date
- Between maximizing guaranteed income or seeking to preserve capital and maximize growth potential in the Income Stage
- To receive guaranteed income payments while continuing to save

Simplicity

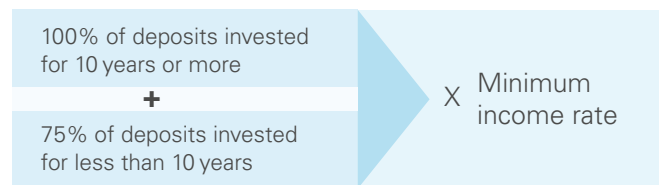
- Guaranteed minimum income amount known in advance
- Retirement income planning in two simple stages
- Retirement savings and retirement income in a single contract
- Managed solutions based on client profile

*To see all funds offered for the FORLIFE Series, refer to document F13-1000A.

Savings Stage

The Savings Stage is designed to allow your clients to accumulate and grow their savings while benefitting from a unique guarantee that protects their retirement income against market downturns. This contractual guarantee, called the **Minimum Income Guarantee**¹, ensures your clients a lifetime guaranteed income of at least:

Minimum Income Guarantee



The minimum income rate varies based on your client's age when the transfer to the Income Stage occurs.

Age at transfer to the Income Stage	Minimum income rate ²
50–54	3.5%
55–59	4%
60–64	4.5%
65–69	5%
70–74	5.5%
75+	6%

Example

Luke is 55 years old and invests \$100,000 in the Savings Stage of the FORLIFE Series. He plans to retire at age 65. Luke knows he can invest in the market and count on a lifetime guaranteed income of at least \$5,000 per year (5% x \$100,000) regardless of the market value of his investments when he begins receiving his income.

Client advantages during the Savings Stage

- Peace of mind investment in a broad range of funds that includes three 100% equity funds, thanks to the Minimum Income Guarantee
- 100% estate protection in the event of death

¹ For guarantee to apply, at least one deposit must be invested for 10 years or more.

² The minimum income rate schedule is fixed and is included in the contract.

Income Stage

Available starting at age 50 with an initial investment of \$25,000 or more, the Income Stage provides your clients with a lifetime guaranteed income. By selecting one of the following two funds, your clients can choose to either maximize their income or maximize growth potential while receiving their income:

FORLIFE Guaranteed Maximum Income Fund	FORLIFE Guaranteed Income & Growth Fund
With a composition of 100% fixed income, the objective of this fund is to maximize income.	With a composition of 70% fixed income and 30% equity, the objective of this fund is to preserve capital and maximize growth potential.

Automatic income resets every three years

Every three years, your clients can benefit from upward resets of their lifetime guaranteed income if the result of the following calculation is greater than their current income at the time of calculation:

Market value X current income rate*

Investing in the Income Stage after saving in the Savings Stage

When transferring to the Income Stage, your clients will obtain the greater of the following amounts:

- A** Minimum Income Guarantee
- B** Market value transferred to the Income Stage x current income rate*

If the income calculated in **A** is greater than the income calculated in **B**, the Minimum Income Guarantee is applied. The investment is made automatically in the FORLIFE Guaranteed Maximum Income Fund as this option is the most beneficial for your client.

Additionally, when transferring to the Income Stage, a reset of the guaranteed minimum value at death is performed if the client is under 80 years old when the transfer occurs.

*The current income rate is reviewed periodically and is determined based on age, sex and interest rate levels. Once income payments have begun, income may only be adjusted upwards as a result of resets.

Investing in the Income Stage without saving in the Savings Stage

Your clients can invest directly in the Income Stage without having invested in the Savings Stage first. The main difference is that the Minimum Income Guarantee associated with the Savings Stage does not apply. The income your clients receive is equal to:

$$\text{Market value of the investment} \times \text{Current income rate for the selected fund}^*$$

Client advantages during the Income Stage

- Stable lifetime guaranteed income
- Choice between two funds based on client objectives
- Automatic income resets every three years
- Access to market value
- Estate protection in the event of death
- Guarantee that the minimum RRIF withdrawal amount will always be respected, even if it is higher than the lifetime guaranteed income

How can my clients take advantage of the FORLIFE Series?

- All IAG SRP contracts opened since November 24, 2014, include the FORLIFE Series.
- Clients with contracts opened before November 24, 2014, can invest in the FORLIFE Series by opening a new IAG SRP contract.

For more information

You can find out all the details about the FORLIFE Series in the IAG Savings and Retirement Plan Product Guide, available in the document centre within the Advisor Centre by searching for "iag srp guide."

You can find all administrative details in the Policies and Procedures Guide – Individual Savings and Retirement, also available in the document centre within the Advisor Centre by searching for "policies guide."

Luke, age 55

Luke is a self-employed cabinetmaker. After many years of putting all of his energy into his business, he is now starting to think about his future retirement income. Luke hopes to retire in about 10 years at age 65.

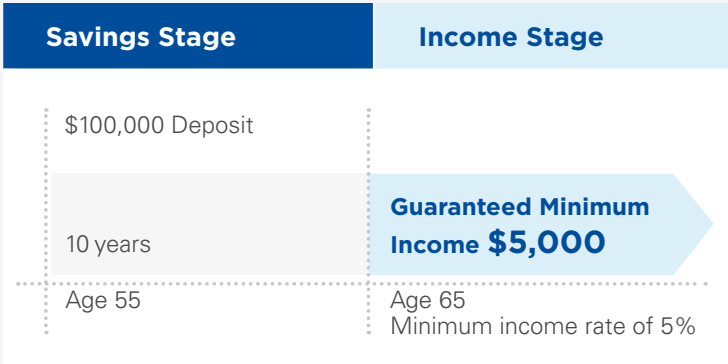
Up to now, Luke has focused on security. All of his savings are currently in guaranteed investments. He knows it would be sensible to rely on the growth potential of the markets to meet his retirement income goals, but he still remembers the loss his good friends suffered during the 2008 decline, which even caused them to postpone their retirement for a couple of years.

Let's see how Luke's advisor can help him achieve his goals without sacrificing security by investing in the Savings Stage of the FORLIFE Series:

- Luke has \$100,000 to deposit in the FORLIFE Series Savings Stage
- He has the freedom to choose from a broad range of funds for his investment, including
 - Managed Solutions (Focus and Selection Funds)
 - Income Funds
 - Diversified Funds
 - Hybrid Funds with 75% Equity Exposure
 - Canadian Equity Funds

By investing \$100,000 today in the Savings Stage of the FORLIFE Series, Luke benefits from:

- A guaranteed minimum income of \$5,000¹ starting 10 years from now (unique protection against market downturns)
- The growth potential of the three funds he chooses:
 - IA Diversified Fund
 - Dividend Growth Hybrid 75/25
 - Selection Moderate Fund
- Competitive MERs to help preserve market value for his retirement income
- A 100% death benefit guarantee:
- Reset upon request: once per year, until the client is 80 years old
- Automatic reset: when transferred to the Income Stage if your client is under 80 years old



Age income begins	Minimum income rate*
50–54	3.5%
55–59	4%
60–64	4.5%
65–69	5%
70–74	5.5%
75+	6%

*The minimum income rate schedule is fixed and is included in the contract. The minimum income guarantee applies if at least one deposit has been invested for 10 years or more.

¹ Based on minimum income rate of 5% at age 65.



Now let's look at Luke's situation in 10 years when he will be ready to start receiving his lifetime income:

Fortunately, the markets did well and Luke's market value is now \$156,000. However, even if the markets hadn't been strong, Luke could always count on his \$5,000 lifetime guaranteed income.

Luke now has many options for his retirement income. He can buy an annuity, invest in a mutual or segregated fund contract, take out a guaranteed investment or he can receive a lifetime guaranteed income and have the freedom to choose between two funds in the FORLIFE Series Income Stage.

Because Luke will be under 80 years old when the transfer to the Income Stage occurs, the guaranteed minimum value at death (GMVD) is reset automatically. Thus, the guaranteed minimum value at death will be \$156,000 instead of \$100,000.

FORLIFE Guaranteed Maximum Income Fund	FORLIFE Guaranteed Income & Growth Fund
<ul style="list-style-type: none"> — This fund is focused on maximizing income. — Its composition is 100% fixed income and the current income rate is 4.65%². 	<ul style="list-style-type: none"> — This fund is focused on maximizing growth potential while preserving capital. — The current income rate is 3.96% and its composition is as follows: <ul style="list-style-type: none"> – 70% iA Bond Fund – 15% S&P/TSX 60 (Canada) – 10% S&P 500 (U.S.) – 5% MSCI EAFE (World, excluding U.S. and Canada)

Luke's choice

Luke wants to maximize his income, so he chooses the **FORLIFE Guaranteed Maximum Income Fund**, which will give him a lifetime guaranteed income of **\$7,254**.

Savings Stage	Income Stage
\$100,000 Deposit	\$156,000 Market value
10 years	Lifetime Guaranteed Income* \$7,254
Age 55	Age 65 Current income rate is 4.65% ²

² Current income rate as of September 17th, 2018. The current income rate is reviewed periodically and is determined based on age, sex and interest rate levels. Once income payments have begun, income may only be adjusted upwards as a result of resets.

* Automatic reset of income every 3 years on the anniversary date of the first investment in the Income Stage of the series

** Automatic reset of the GMVD

Peter, age 65

Peter is a passionate architect who started his own firm 35 years ago. He has always focused on putting aside savings for his retirement. He has accumulated \$200,000 over time and is now looking to turn his savings into an immediate retirement income. Given the current level of interest rates and the volatility of the market, Peter is worried about putting his savings at risk.

Let's see how his advisor can help him get the income he's looking for with the Income Stage of the FORLIFE Series:

- Peter has \$200,000 to deposit in the FORLIFE Series Income Stage
- He is looking to maximize the growth potential of his income
- He would like to benefit from the growth potential of the market and preserve his capital in the event of death

Peter has the freedom to choose between two funds to generate his guaranteed income. Each fund has its own objectives.

FORLIFE Guaranteed Maximum Income Fund	FORLIFE Guaranteed Income & Growth Fund
<ul style="list-style-type: none">— This fund is focused on maximizing income.— Its composition is 100% fixed income and the current income rate for a 65-year-old male is 4.65%¹. <p>Based on the current income rate of 4.65%, Peter could have a guaranteed income of \$9,300 for the rest of his life with the FORLIFE Guaranteed Maximum Income Fund.</p>	<ul style="list-style-type: none">— This fund is focused on maximizing growth potential while preserving capital.— Its composition is as follows:<ul style="list-style-type: none">– 70% iA Bond Fund– 15% S&P/TSX 60 (Canada)– 10% S&P 500 (U.S.)– 5% MSCI EAFE (World, excluding U.S. and Canada)— The current income rate for a 65-year-old male is 3.96%¹. <p>Based on the current income rate of 3.96%, Peter could have a guaranteed income of \$7,920 for the rest of his life with the FORLIFE Guaranteed Income & Growth Fund.</p>

¹ Current income rate as of September 17th, 2018. The current income rate is reviewed periodically and is determined based on age, sex and interest rate levels. Once income payments have begun, income may only be adjusted upwards as a result of resets.



Peter's choice

Based on Peter's goal of having income growth potential and his desire to preserve his capital in the event of death, the FORLIFE Guaranteed Income & Growth Fund is better suited to his objectives.

By investing \$200,000 today in the FORLIFE Guaranteed Income & Growth Fund, Peter benefits from:

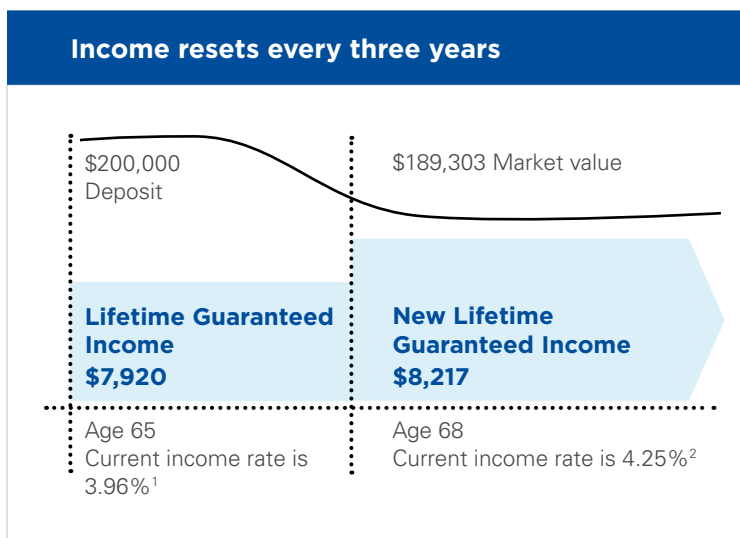
- A lifetime guaranteed income of \$7,920
- Automatic resets of his income every three years, allowing for potential increases based on growth in the market value of his investments
- Access to market value
- A 100% death benefit guarantee.

In addition, with greater growth potential and smaller withdrawals, more of Peter's capital may be preserved than with the FORLIFE Guaranteed Maximum Income Fund.

Peter's income three years from now

Now let's see what could happen to Peter's income three years from now if the markets are doing well.

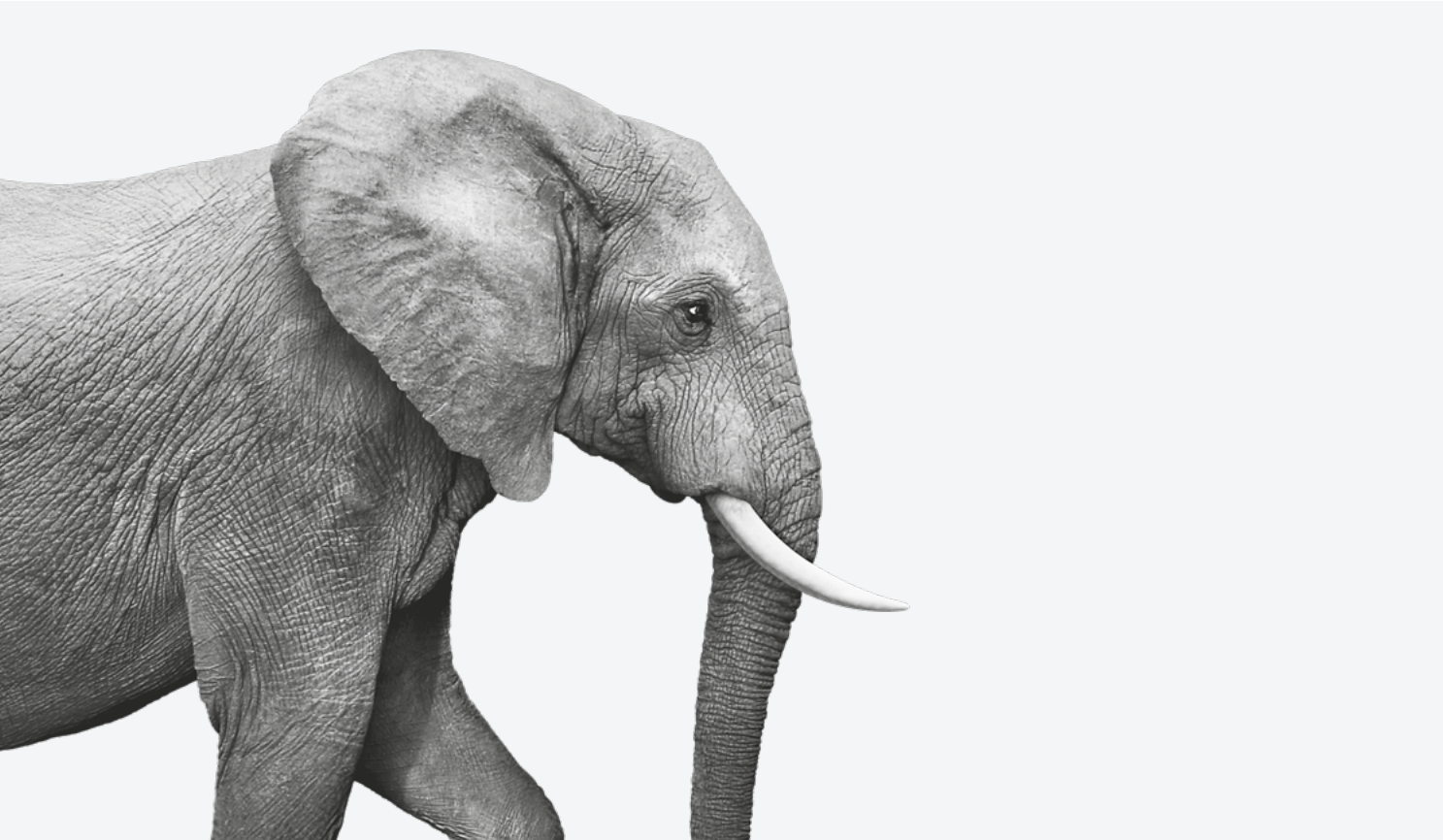
Peter would already have received \$23,760 in income and his **market value would be \$189,303**, for a net return of 3%. Peter's income would be automatically reset using the increased current income rate of 4.25%², and his lifetime guaranteed income would be raised to **\$8,217**.



² Hypothetical income rate

FORLIFE Series

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