

Guide

Smoothed Return Diversified Account

Genesis 9.0



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1 - Key Features of the SRDA

- The SRDA is available as an optional investment account to all in-force Genesis 9.0 policies
- The credited rate is 3.25% for 2022
- The credited rate is guaranteed never to be negative
- Interest is compounded daily and credited to the SRDA on each Monthly Anniversary
- The credited rate will be determined annually in advance, before the beginning of the calendar year
- The credited rate on the SRDA for a given year is equal to the declared rate of the Smoothed Return Diversified Fund (the Fund) minus the annual management fees. The Fund declared rate is based on returns earned on the Fund assets to which the Company applies a smoothing formula. This formula amortizes the major fluctuations in returns (positive and negative) and provides a stable, low-volatility declared rate from year to year.
- The maximum annual credited rate is 8.5%, with any excess being retained and used to enhance the credited rate in future years.
- The SRDA is also available in Genesis-IRIS. Consult <https://com.ia1.co/genesis-iris/advisor/> for more information.

2 - The Fund - Smoothed Returns

- For the Asset Mix and other information on the Fund, see the Fund Fact document.
- The method of smoothing the gains and losses takes into consideration the amortization of the difference between total of all account balances and the market value of the Fund, with an aim to pass on the gains and losses over a 10-year period. However, iA reserves the right to change the smoothing period.
- Establishing the credited rate:
 - First, the company applies its smoothing formula to the returns earned on the underlying assets of the Fund in order to establish the SRDA declared rate for the forthcoming year. It is not expected that the SRDA declared rate will vary by more than 0.5% from one year to the next.
 - Then, the company deducts the MER. (iA has set the current MER at 1.25%).

3 - Market Value Adjustment

- The company will declare a market value adjustment rate as necessary to reflect the difference between the cumulative returns earned on the underlying fund assets and the cumulative interest credited to the SRDA.
- The market value adjustment factor will be reviewed frequently and updated accordingly. An MVA may be applicable on surrenders, withdrawals, policy loan repayments or transfers from the SRDA, and will be re-invested in the Fund when charged. An MVA charge is not applicable to amounts transferred out of the SRDA to pay COI charges, or as a consequence of the death or disability of a life insured
- The MVA applicable to the SRDA is published in the Life Insurance Rate Schedule available in the document centre of the advisor centre.
- In general, iA's current practice is to set the MVA Factor weekly on Mondays.

4 – Summary table of features – Smoothed Return Diversified Account (SRDA)

Rates																	
Net credited rate (up to December 31st, 2022)	3.25%																
Minimum net credited rate	0%																
Maximum net credited rate (rate cap)	8.5% If, in any year, the net credited rate is capped at 8.5%, returns exceeding 8.5% for that year will be retained in the Fund and used in subsequent years to increase the net credited rate.																
Maximum variation in the declared rate from one year to the next	The SRDA declared rate should not vary more than 0.5% from one year to the next.																
Management Fees																	
Current annual Management Fee	1.25%																
Maximum guaranteed annual Management Fee	2.00%																
Market Value Adjustment (MVA)																	
MVA formula	<p>The MVA for the SRDA = Amount involved X MVA factor</p> <p>The Amount involved = the amount deducted from the SRDA</p> <p>The MVA factor = a factor that equals $1 - (A / B)$, but not less than zero, where :</p> <p>A = the market value of all assets backing the SRDA, and B = the sum of the SRDA balances for all Policies at that time.</p>																
When the MVA applies for the SRDA and SRDA	<table border="0"> <tr> <td>Surrender of the policy</td> <td>Yes</td> </tr> <tr> <td>Partial withdrawal</td> <td>Yes</td> </tr> <tr> <td>Transfer to other accounts</td> <td>Yes</td> </tr> <tr> <td>Transfer to the shuttle fund</td> <td>Yes</td> </tr> <tr> <td>Repayment of a policy loan</td> <td>Yes</td> </tr> <tr> <td>Costs of insurance (COI) payments</td> <td>No</td> </tr> <tr> <td>Payment of disability benefit</td> <td>No</td> </tr> <tr> <td>Death</td> <td>No</td> </tr> </table>	Surrender of the policy	Yes	Partial withdrawal	Yes	Transfer to other accounts	Yes	Transfer to the shuttle fund	Yes	Repayment of a policy loan	Yes	Costs of insurance (COI) payments	No	Payment of disability benefit	No	Death	No
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The underlying fund

Asset allocation	<p>Investments in alternative assets will be included in the Account, in addition to bonds and equities. Alternative assets include commercial mortgages, private debt, real estate, private equity, and infrastructure.</p> <p>The target allocation is as follows:</p> <hr/> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Government bonds:</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>Corporate bonds, preferred shares and private debt:</td> <td style="text-align: right;">35%</td> </tr> <tr> <td>Commercial mortgages:</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Common shares:</td> <td style="text-align: right;">15%</td> </tr> <tr> <td>Real estate:</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>Private investment & infrastructure:</td> <td style="text-align: right;">15%</td> </tr> </table>	Government bonds:	15%	Corporate bonds, preferred shares and private debt:	35%	Commercial mortgages:	10%	Common shares:	15%	Real estate:	10%	Private investment & infrastructure:	15%
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Real estate:	10%												
Private investment & infrastructure:	15%												
Loans													
Use with policy loans	The SRDA is an eligible account for policy loans.												
Other													
Availability in the Shuttle Fund	No												
Guarantee of availability	A smoothed return Account will always be available. However, we reserve the right to close this account to new deposits at our sole discretion.												
Compensation	Compensation for the SRDA is the same as that of all other investment accounts.												
Fund codes	SRA081												