

LEGACY

ACCESS TO LIQUIDITY
TRANSPARENCY
GROWTH



SPECIALIZED
LIFE INSURANCE
FOR BUILDING
AND PROTECTING
YOUR ESTATE

Sales support document



LEGACY

Legacy specialized life insurance is designed to help policyholders build and protect their estate. It offers guaranteed permanent coverage with strong early cash values, premium payment flexibility and an annual bonus that can be used to purchase additional paid-up insurance to increase the death benefit and cash value.

Legacy provides outstanding flexibility and stable growth to help policyholders achieve their long-term financial goals. This specialized life insurance includes select features from a number of permanent products to offer a variety of options and flexibility.

A SOLUTION FOR ENSURING ESTATE GROWTH FROM ONE GENERATION TO THE NEXT

With a minimum face value of \$1 million, Legacy is the ideal protection for individuals with significant permanent insurance needs who may be looking to:

- Build and maximize their estate;
- Pass on wealth to the next generation;
- Take advantage of early cash values as a source of liquidity;
- Have flexible financial protection that adapts to their changing needs;
- Diversify their assets and gain access to asset classes normally reserved for the institutional market.

Legacy is designed to adapt to the needs of policyholders through important stages of their lives with a range of innovative features, each providing a unique set of opportunities within the permanent insurance market.



The Pillars of Legacy

Legacy's pillars are the base coverage, the bonus and the Paid-Up Addition (PUA coverage).

Guaranteed base coverage

The primary pillar of the product: guaranteed life coverage and cash surrender value.

Annual bonus

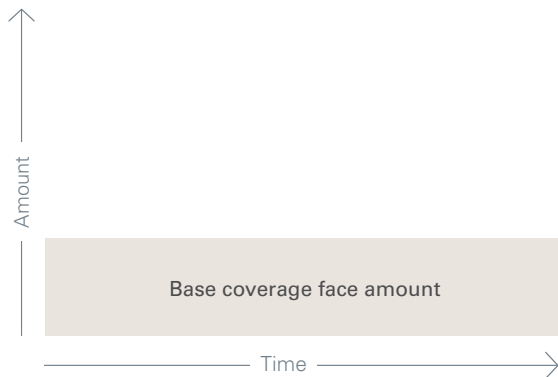
Contributes to increased guaranteed values in the policy.



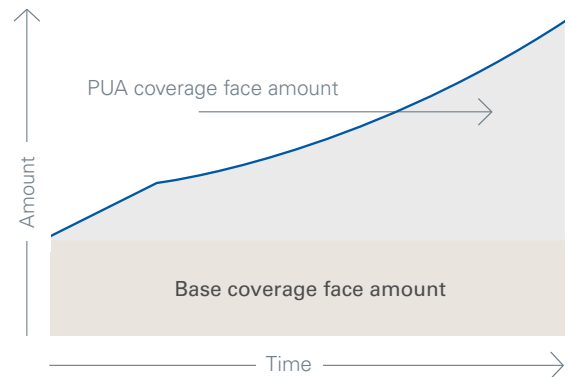
Paid-up additions (PUA) coverage

Optional PUA coverage can be added, which provides additional life coverage and cash value growth.

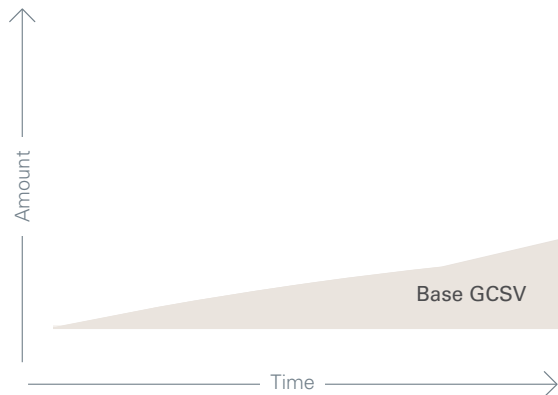
Guaranteed death benefit (example)



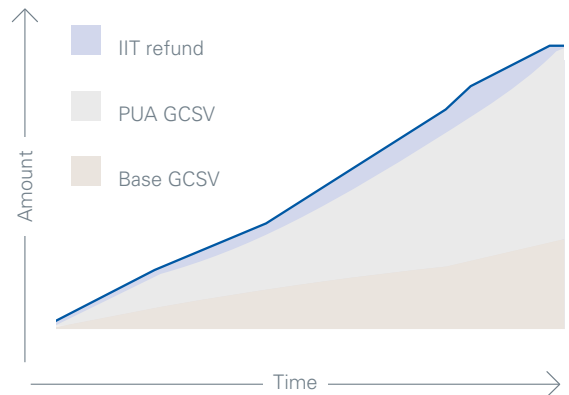
Death benefit value over time (example)



Base guaranteed cash surrender value (GCSV)



Surrender value over time (example)



GROWTH

Annual bonus

The bonus, whose formula is guaranteed, is calculated at the end of each policy year and can be:

- Used to purchase additional life insurance (PUA coverage), or
- Deposited to the investment accounts chosen by the policyholder.

How is the bonus calculated?

The bonus formula allows us to share the EquiBuild Fund smoothed returns with Legacy policyholders. Legacy's simple formula has a single variable — the EquiBuild Fund declared rate — without the variability that results from claims, expense, and lapse experience.

The EquiBuild Fund

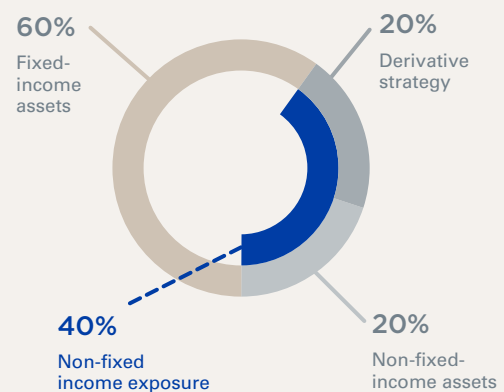
The foundation of the Legacy product's growth, the Fund, is actively managed by iA Global Asset Management (iAGAM), to optimize long-term risk adjusted returns. The well diversified asset strategy allows attractive and stable returns.

The lengthy investment horizon and the strategic asset allocation provides strong yield potential, while taking a prudent and measured approach. Long-term stability is fostered by a smoothing technique that reduces the year-over-year volatility.

Fund composition

The Fund is invested primarily in high-quality fixed-income securities, derivatives, private equity and infrastructure, and real-estate investment.

Target asset allocation



 [The EquiBuild Fund \(F13-1008A\)](#)

iAGAM

As well as the EquiBuild Fund, iAGAM is responsible for managing iA Financial Group's entire asset portfolio. This team manages nearly \$45 billion in assets, including over \$10 billion in alternative assets. Alternative assets include real estate, private debt, commercial mortgages, infrastructure investments and private equity. The team's portfolio managers are supported by the expertise of numerous teams within iAGAM, including a variety of highly experienced managers in equities, bonds, alternative assets, asset allocation, economics and risk management.

Paid-up additions (PUA) coverage: An additional layer of protection

A flexible and simple way to optimize the growth of surrender values and the death benefit.

PUA coverage helps policyholders to increase the guaranteed face amount and associated guaranteed cash surrender value of their policy – all with a single payment.

2 ways to purchase PUA:

- Bonus PUA option
- PUA allocation option, through excess deposits. PUA is purchased automatically once a year.

Both options must be chosen at issue.

PUA allocation option

Available funds are deducted from the accumulation fund each year to purchase PUA coverage according to the PUA allocation.

In year 3, the PUA allocation is locked-in based on the highest deduction made in the first two policy years.

Flexibility of PUA allocation

Once the PUA allocation is locked in, policyholders can manage the frequency and amount of their PUA purchases with the timing and amount of excess deposits.

PUA factors (cost and guaranteed cash value per \$1000) are guaranteed at issue, assuring peace of mind for the future.



FLEXIBILITY FOR THE FUTURE

Legacy specialized life insurance is administered on a universal life insurance platform to offer the utmost of flexibility in a permanent insurance product.

Premium Offset

Premium Offset gives policyholders the option to pay insurance costs with policy values in the following order:

- Accumulation fund balance;
- PUA cash surrender values;
- Automatic loan advances.

Investment opportunities

Legacy allows policyholders to benefit from additional investment opportunities through a variety of investment options.

Policyholders wishing to invest additional amounts can benefit from guaranteed interest accounts (GIA) as well as the smoothed returns of the EquiBuild Fund through the EquiBuild Account. The credited rate on the balance of the account is equal to the EquiBuild Fund declared rate declared rate minus the annual management fee.

Individual to Joint Last-to-Die Coverage

When needs and priorities change, Legacy provides the flexibility that policyholders need, by allowing them to convert their coverage from individual to joint last-to-die as a cost-effective way to maintain their total coverage amount and cash value.

Access to liquidity

Policy loan

By using their cash value as collateral, policyholders can benefit from cash loan advances or automatic loan advances:

- Cash loan advance- initiated upon request by a policyholder and is payable to the policyholder.
- Automatic loan advance- initiated by the company to cover any shortfall in the accumulation fund to pay insurance costs when monthly deductions are due.

Disability benefit

Policyholders can access their cash values through a tax-free disability benefit, payable if an insured becomes disabled. The disability benefit is paid from amounts in the accumulation fund as well as guaranteed cash surrender values, reducing the death benefit of the policy. See the product guide for full details.

Investment Income Tax Refund

Upon surrender, Legacy helps policyholders increase their total cash surrender value through the Investment Income Tax Refund.



OTHER FEATURES AND BENEFITS

Legacy offers a number of optional features, including additional term life insurance riders to use as an additional layer of coverage to meet temporary needs.

Riders

- Term life insurance riders 10, 20, 25 and 30 years.

Additional benefits

- Contribution in the event of the applicant's disability (CAD)
- Contribution in the event of the insured's disability (CID)
- Contribution in the event of the applicant's death (CADE)

Other resources

- Fund document | [F13-1008A](#)
- Product summary | [F13-1209A](#)
- Product guide | [F13-1208A](#)

iA FINANCIAL GROUP IN NUMBERS

A solid, trusted company since 1892. iA Financial Group is one of Canada's largest public companies.

Listed on the Toronto Stock Exchange under the ticker symbols IAG (common shares) and IAF (preferred shares) since February 3, 2000.

4 million +
clients

50,000 +
advisors

8,600 +
employees

\$588 million
net income attributed
to common shareholders

\$11.2 billion
premiums, premium
equivalents and deposits

IAG Stock performance

907%

Growth of IAG share since iA Financial Group became a public company on February 3, 2000, compared to 118% for S&P/TSX benchmark index of the Toronto Stock Exchange.

\$196.2 billion

assets under management (AUM)
and administration (AUA)

Solvency ratio

130%

Above the 110% - 116% target range

Date as at December 31, 2022, unless otherwise indicated.

ABOUT iA GLOBAL ASSET MANAGEMENT (iAGAM)

Choosing Legacy means benefitting from the expertise of a seasoned asset management team. Industrial Alliance Global Asset Management (iAGAM) is a wholly-owned subsidiary of iA Financial Group. iAGAM has close to 180 employees, including more than 100 investment professionals and nearly 50 CFA charterholders. The team responsible for managing all of iA Financial Group's assets within iAGAM will manage the EquiBuild Fund. This team manages nearly \$45 billion in assets, of which more than \$10 billion is invested in alternative assets. This type of investment includes real estate investments, private debt, commercial mortgages, infrastructure investments and private equity. The team's portfolio management is supported by the expertise of several teams within iAGAM, including a variety of managers with a wealth of experience in equities, bonds, alternative assets, asset allocation, economics and risk management.



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INVESTED IN YOU.

iA Financial Group is a business name and trademark of
Industrial Alliance Insurance and Financial Services Inc.

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