



FORLIFE  
Series

For lifetime guaranteed income

A decorative graphic of a tree with colorful, swirling branches in shades of blue, green, and purple, set against a circular background.

## Key points for you

- Simple solution for retirement
- Income guaranteed **FORLIFE**
- Freedom to choose the best retirement solution when your client needs income
- New improved compensation



## Key points for your clients

- Security of future lifetime income
- 100% capital protection in case of death
- Full access to market value
- Guaranteed income for life with upside potential



## Retirement Landscape in Canada

In 2012, **only 28%** of Canadian employees  
were in a **defined benefit pension plan**

And that number is declining each year...

Source: Statistics Canada

## **\$257 billion** in GICs in Canada

And the income generated with current interest rates  
barely keeps up with inflation

Source: Investor Economics, 2013

# Retirement Landscape in Canada

What if the bulk of your retirement savings took place....

During this time period....

Time Period	Stock Return*
1965-1975	-1.7%
1998-2008	-2.0%

Time Period	Stock Return*
1979-1989	12.3%
1989-1999	18.4%

You cannot control the market when you retire

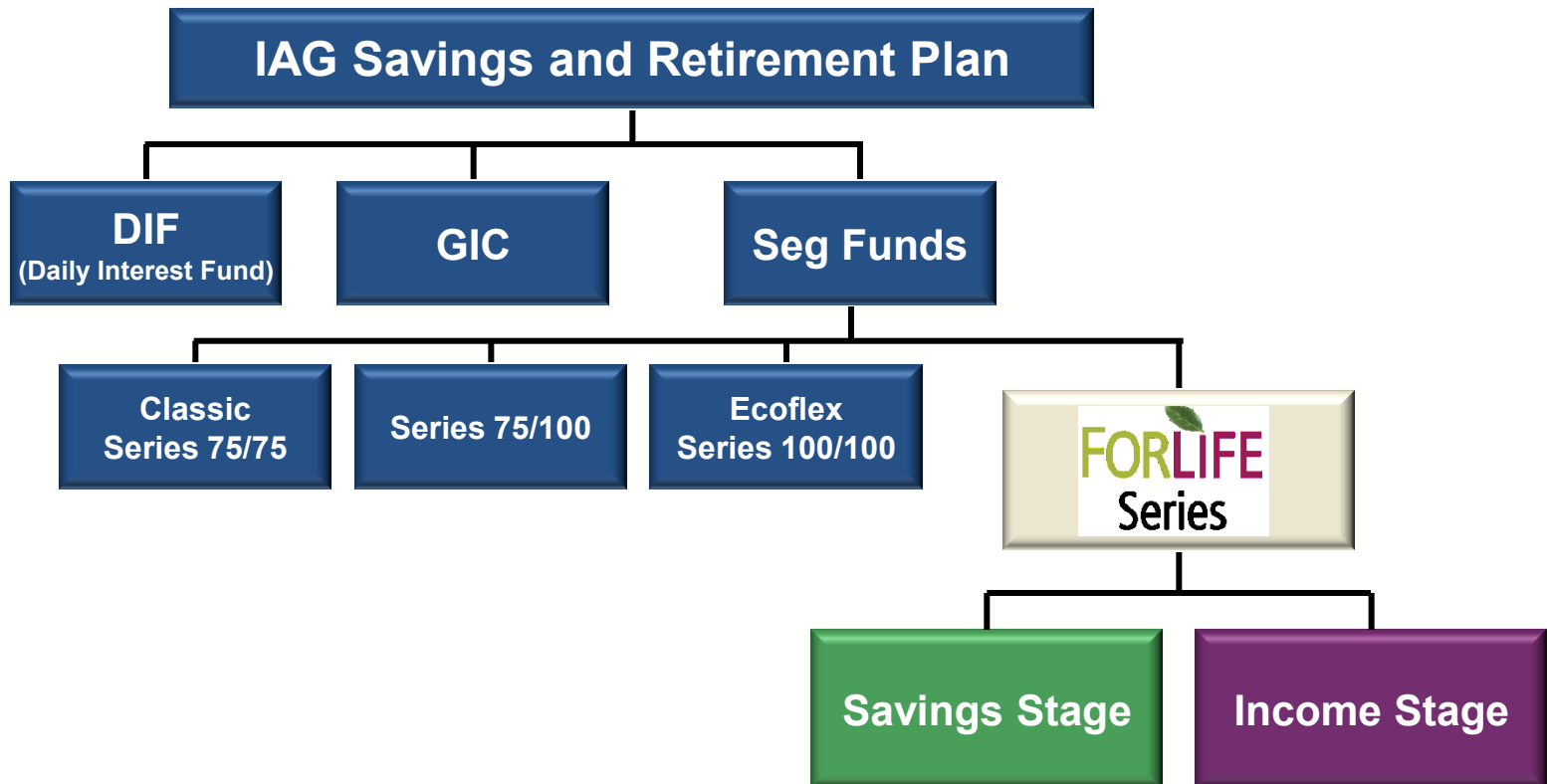
\*Source: Globe HySales, S&P 500 Compound Returns in CDN\$

# Retirement Landscape in Canada

	GICs	Annuities	Mutual Funds	GMWBs	FORLIFE Series
Security	●	●	●	●	●
Freedom to choose	●	●	●	●	●
Simplicity	●	●	●	●	●

# IAG Savings and Retirement Plan (IAG SRP)

Introducing a new Series → The FORLIFE Series





## Classic Series 75/75

### For maximum capital growth

- ▶ Allows your clients to quickly grow their savings with fees comparable to those on mutual funds
- ▶ Helps diversify your clients' investments and take advantage of the best market opportunities with a vast choice of funds
- ▶ Protects capital with a 75% guarantee at death



## Series 75/100

### For more affordable estate protection

- ▶ Meets your clients' estate protection needs with a 100% death benefit guarantee
- ▶ Allows for savings growth through access to numerous investment funds based on your clients' personal profiles
- ▶ Protects capital with a 75% guarantee at maturity



## Ecoflex Series 100/100

### For complete retirement savings security

- ▶ Provides your clients with 100% capital protection at the date of their choice and ensures estate protection in case of death
- ▶ Allows your clients to maintain their investment earnings in spite of market downturns
- ▶ Offers the best of both worlds by allowing your clients to be fully invested in the markets and have the best possible protection for their savings





# The New FORLIFE Series



## Security

- 100% Guaranteed lifetime income
- 100% Guarantee in case of death



## The freedom to choose

- Investment options to maintain growth potential
- In case plan changes / Need access to your savings



## Simplicity

- Keep things simple!
- Not only for the client, but for you too...

## The New FORLIFE Series

**There are 2 Stages: Clients can enter at either stage**

### The Savings Stage

- Clients saving for retirement
- Unique Minimum lifetime income guarantee
- Complete fund lineup

### The Income Stage

- Clients seeking guaranteed lifetime income

**100% death benefit guarantee**

**Access to market value at all times**



The Savings Stage

## Savings Stage

- **Lifetime minimum income guarantee**
  - Based on deposits and contractual minimum income rates
  - Client must stay invested in the Savings Stage for a minimum of 10 years
- Potential for **higher** guaranteed income upon transfer to the **Income Stage**
- 100% Death Benefit Guarantee



# The Savings Stage- Contractual Minimum Income Rates

## Multiple Income Rates:

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%



\*Must be invested for at least 10 years in the Savings Stage




# The Savings Stage

## Savings Stage

- **Lifetime minimum income guarantee**
  - Client must stay invested in the Savings Stage for a minimum of 10 years
    - Deposits  $\geq$  10 years: 100%
    - Deposits  $<$  10 years : 75%





# The Savings Stage-Fund Lineup

- 10** Managed Solutions (Focus & Selection Funds)
  - 6** Income Funds
  - 9** Diversified Funds
  - 18** Hybrid Funds with 75% Equity Exposure
  - 3** Canadian Equity Funds
- 
- 46** Investment Funds



# The Savings Stage- Top Investment Managers





# The Savings Stage- A few examples of funds available

## **100% Canadian Equity Funds**

Strategic Equity Income

Dividend Growth

Canadian Equity (Leon Frazer)

## **Diversified Funds**

Diversified Opportunity

Canadian Balanced (QV)

SRI Balanced (Inhance)

## **Hybrid Funds**

Canadian Equity Small Cap (QV)

Global Dividend (Dynamic)

Global Equity (Templeton)

## **Income Funds**

Strategic Corporate Bond



# Retirement Options



## The freedom to choose

- Annuity
- RRIF (Mutual funds or Seg funds)
- GICs
- Stay invested in the Savings Stage

### Income Stage

- **Move into the Income Stage of the FORLIFE Series**

The Income Stage

## Income Stage

- **FORLIFE guaranteed income**
  - Based on deposit in the Income Stage and
  - Current income rate
- Potential for **higher** guaranteed lifetime income due to automatic resets every 3 years
- 100% Death Benefit Guarantee
- Access to Market Value at all times

## The Income Stage – Choice of Two Funds

### **FORLIFE Guaranteed Maximum Income Fund**

Objective => **Maximize Income**

- 100% Fixed Income

### **FORLIFE Guaranteed Income & Growth Fund**

Objective => **Maximize Growth Potential / Capital preservation**

- 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 Income Stage – Current Income Rates by Fund



- **Based on Age and Gender**
- **Available from age 50**
- **Reviewed periodically**

Current Income rates – September 1 <sup>st</sup> , 2014*				
Age	Guaranteed Maximum Income Fund		Guaranteed Income & Growth Fund	
	Male	Female	Male	Female
65	5.14%	4.87%	4.30%	4.05%

- **Published in the illustration tool**

\*as illustrated in the CHOOSE IA Magazine



## The Income Stage

**Current Income Rates will adjust with the level of interest rates<sup>1</sup> ...**

For example:

An increase in interest rates  
could translate into an  
increase in Current Income rates

Once a deposit is made in the Income Stage, the  
current income rate is locked-in **FORLIFE**

<sup>1</sup> Interest rates level is not the only factor that could impact income rates. Other factors such as longevity experience could also affect future income rates.





## The Income Stage

# Automatic Reset of Income Every Three Years (upside only)

Based on **Market Value**

- Income Stage fund's return

AND

Based on **Current Income Rate**

- Increase in **Age**
- **Potential** increase in **interest rates**



## The FORLIFE Series

Let's take a closer look...

...with some examples

# The Savings Stage

## Example #1: Luke

Luke is 55 and doesn't have a pension plan.  
He is **looking for secure growth:**

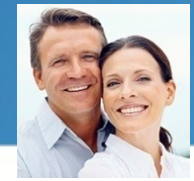
- \$100,000 deposit to invest
- He plans to retire in about 10 years
- Luke invests in the Savings Stage





# The Savings Stage

## Luke Benefits from a UNIQUE Guarantee



### Savings Stage

### Income Stage

**\$100,000**  
Deposit



10 years later

Age 55

**\$5,000** per year  
Guaranteed Income



Age 65  
5%

FORLIFE





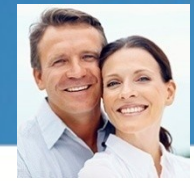
## The Savings Stage



Given his “Growth” investor profile,  
Luke selects the **IA Diversified Fund**

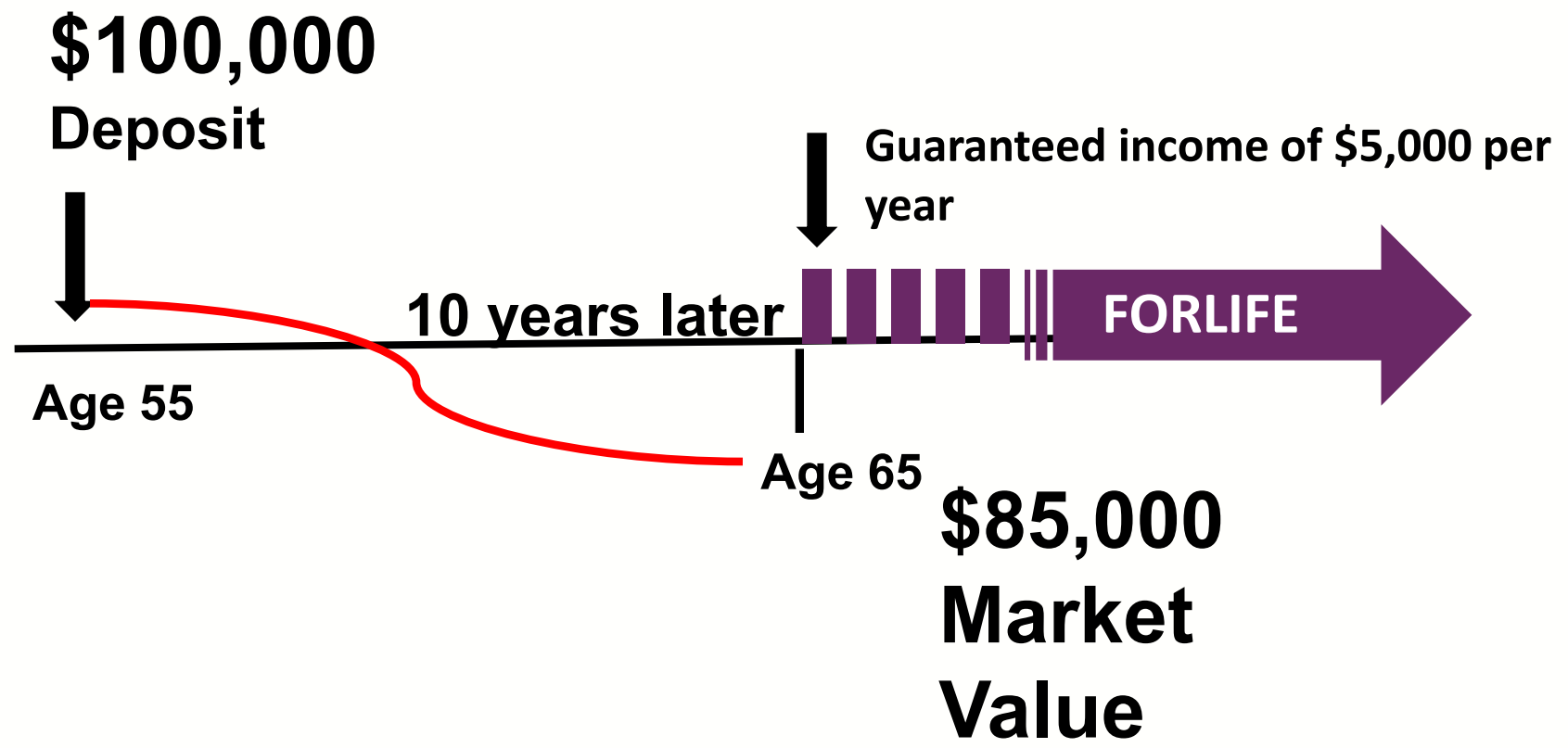


# The Savings Stage Downside Market Scenario



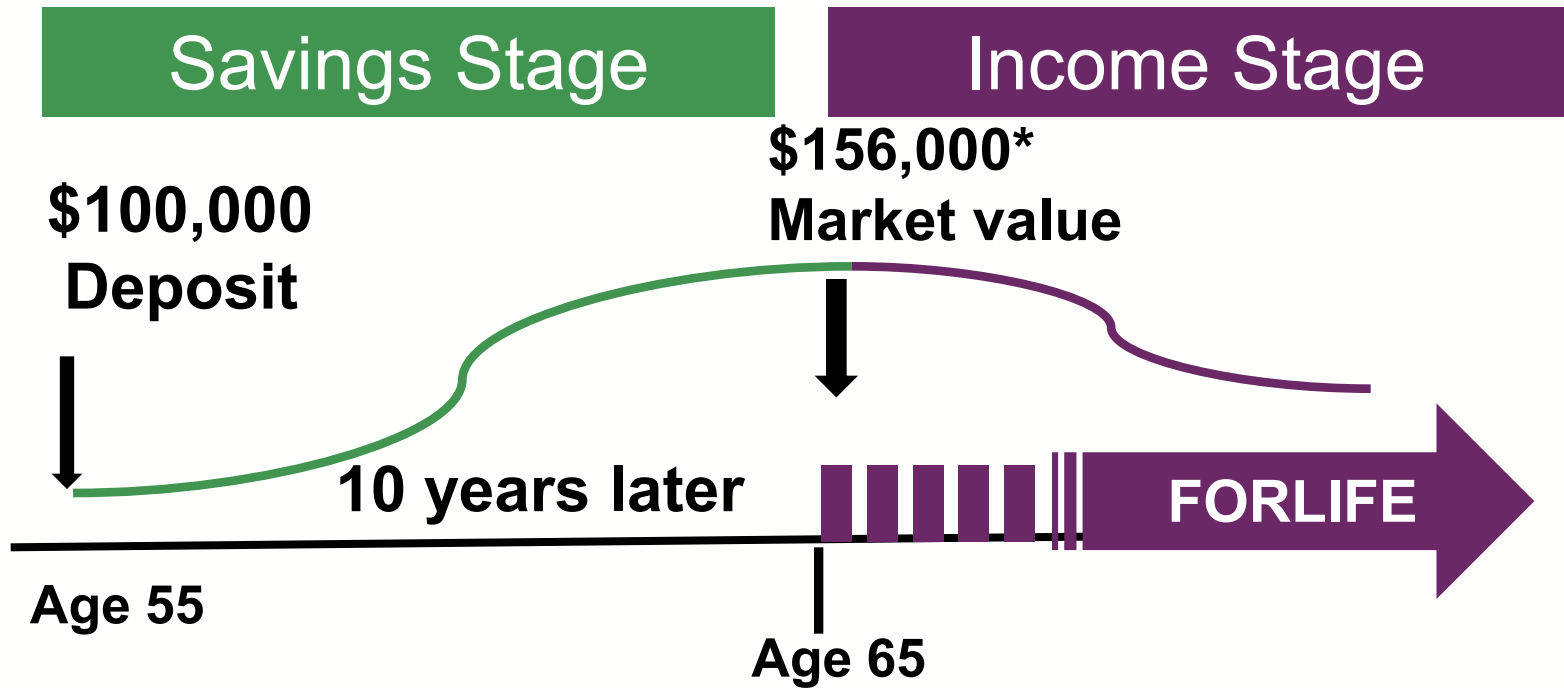
Savings Stage

Income Stage





# The Savings Stage Upside Market Scenario

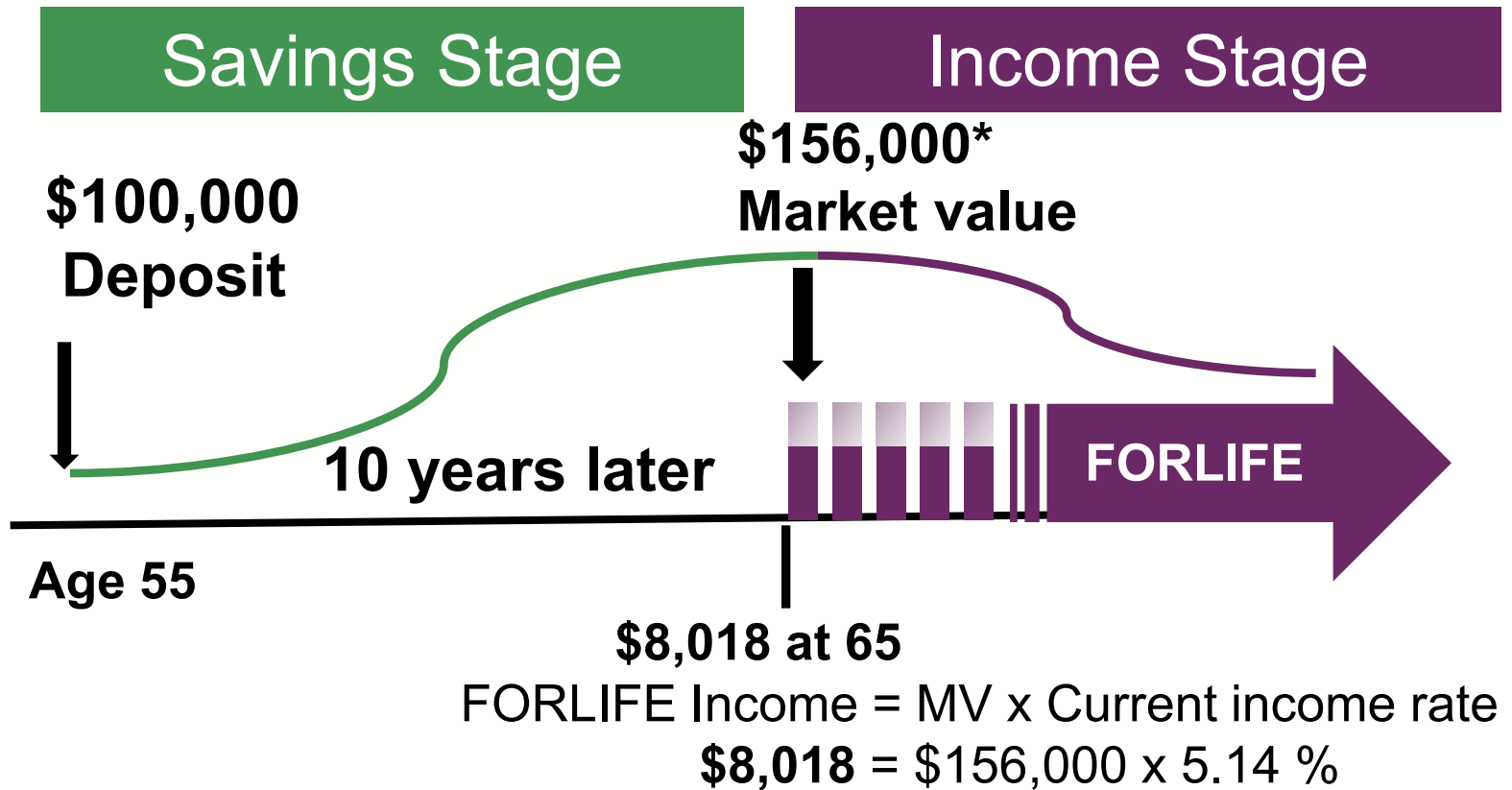


$$\begin{aligned} \text{Minimum income guarantee} &= \text{Deposit} \times \text{Minimum income rate} \\ &= \$100,000 \times 5\% = \$5,000 \end{aligned}$$

\*Based on historical returns of the Diversified Fund from 2004 to 2014



# Transfer to the Income Stage Upside Market Scenario



\*Based on historical returns of the Diversified Fund from 2004 to 2014





# Luke's Example: Recap

## Security

Death Benefit Guarantee = 100%

Minimum Lifetime Income Guarantee = \$5,000

Guaranteed FORLIFE Income = \$8,018

## The freedom to choose

46 Funds

Flexible Retirement Date

## Simplicity

10 Managed Solutions

Guaranteed FORLIFE Income

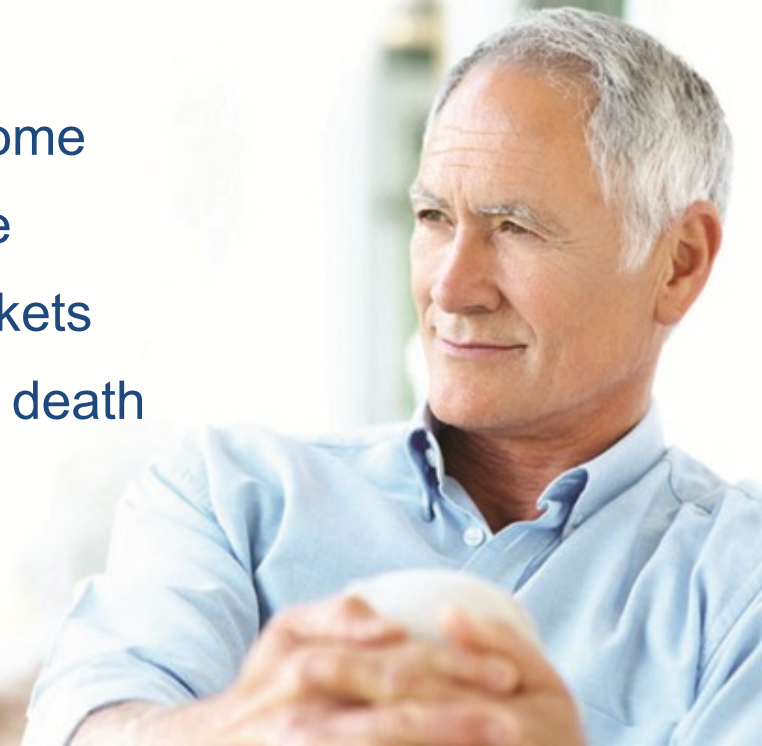


# The Income Stage

## Example #2: Peter

After a 35-year career, Peter, age 65, is now ready to enjoy his retirement.

- \$200,000 to invest
- Invests in the Income Stage
- Immediate guaranteed lifetime income
- Still has access to his market value
- Continues to participate in the markets
- Preserve his capital in the event of death





# The Income Stage

## Peter Has a Choice of Two Funds



### FORLIFE Guaranteed Maximum Income Fund

- **Higher guaranteed income** for life

### FORLIFE Guaranteed Income & Growth Fund

- Guaranteed income for life
- Participation in capital markets
- **Capital preservation**

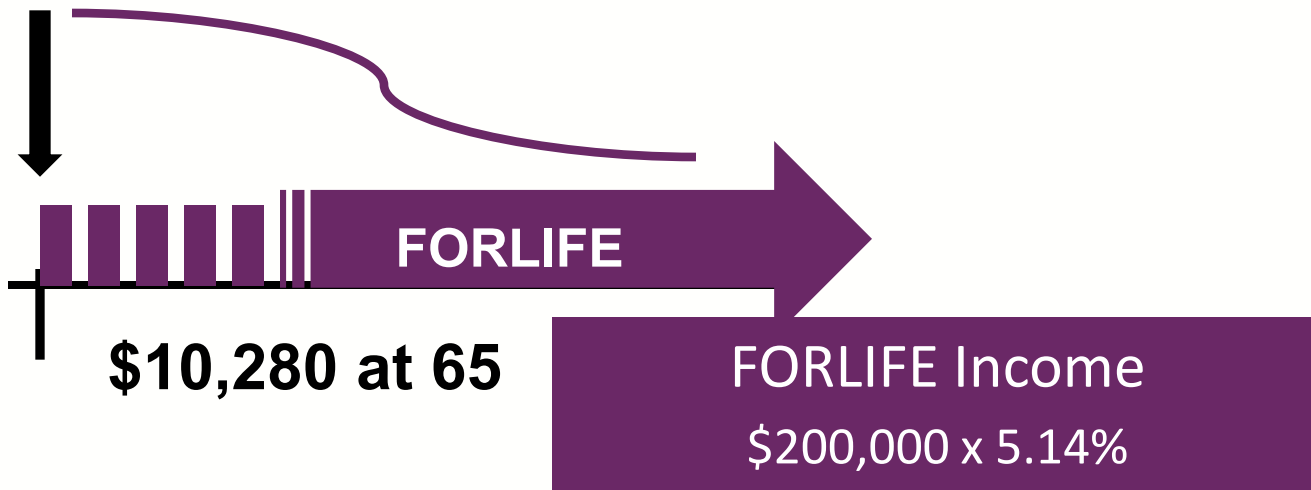


# FORLIFE Guaranteed Maximum Income Fund



## Income Stage

**\$200,000 Deposit**



**Projected Market Value after 5 years = \$158,000**

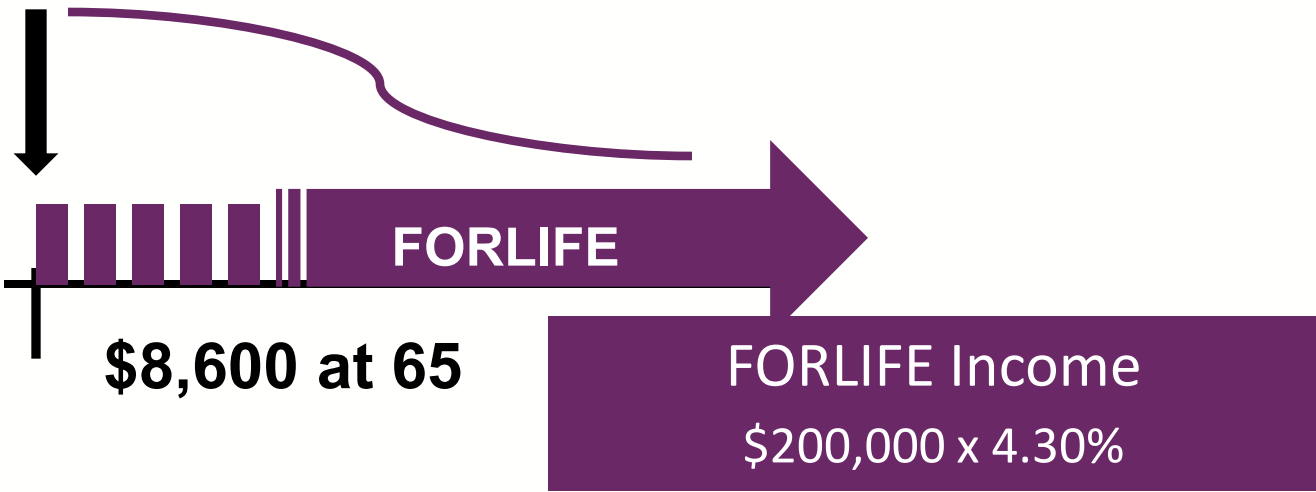
Using a net return of 1%



# Peter chooses the FORLIFE Guaranteed Income & Growth Fund

## Income Stage

**\$200,000 Deposit**



**Higher Capital Preservation Potential**  
**Projected Market Value after 5 years = \$186,000**

Using a net return of 3%



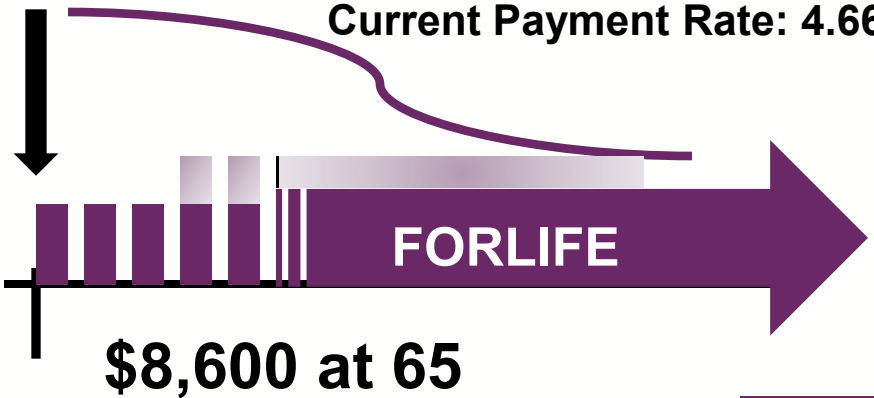
Automatic Reset every 3 years  
Upside only



## Income Stage

**At age 68: \$192,000 Market Value**

Using a net return of 3%  
Current Payment Rate: 4.66%



**\$8,600 at 65**  
**\$8,950 from 68**

**New FORLIFE Income  
Higher of \$8,600  
and  
\$192,000 x 4.66%**



# The Income Stage- Peter's Example: Recap

## Security

- Guaranteed FORLIFE Income = \$8,600
- Three-Year Automatic Reset => New Guaranteed FORLIFE Income of \$8,950

## The freedom to choose

- Continued Participation in Markets (Guaranteed Income & Growth Fund)
- Access to Market value

## Simplicity

- FORLIFE Income



# FORLIFE Series – Summary

## Savings Stage

Clients Saving for Retirement

**Unique Minimum Lifetime  
Income Guarantee**



Available  
From Age

**18**

## Income Stage

Clients Seeking Guaranteed  
Lifetime Income

Available for direct investment

Available  
From Age

**50**





## FORLIFE Series – Target Clients

### Target from age 50+

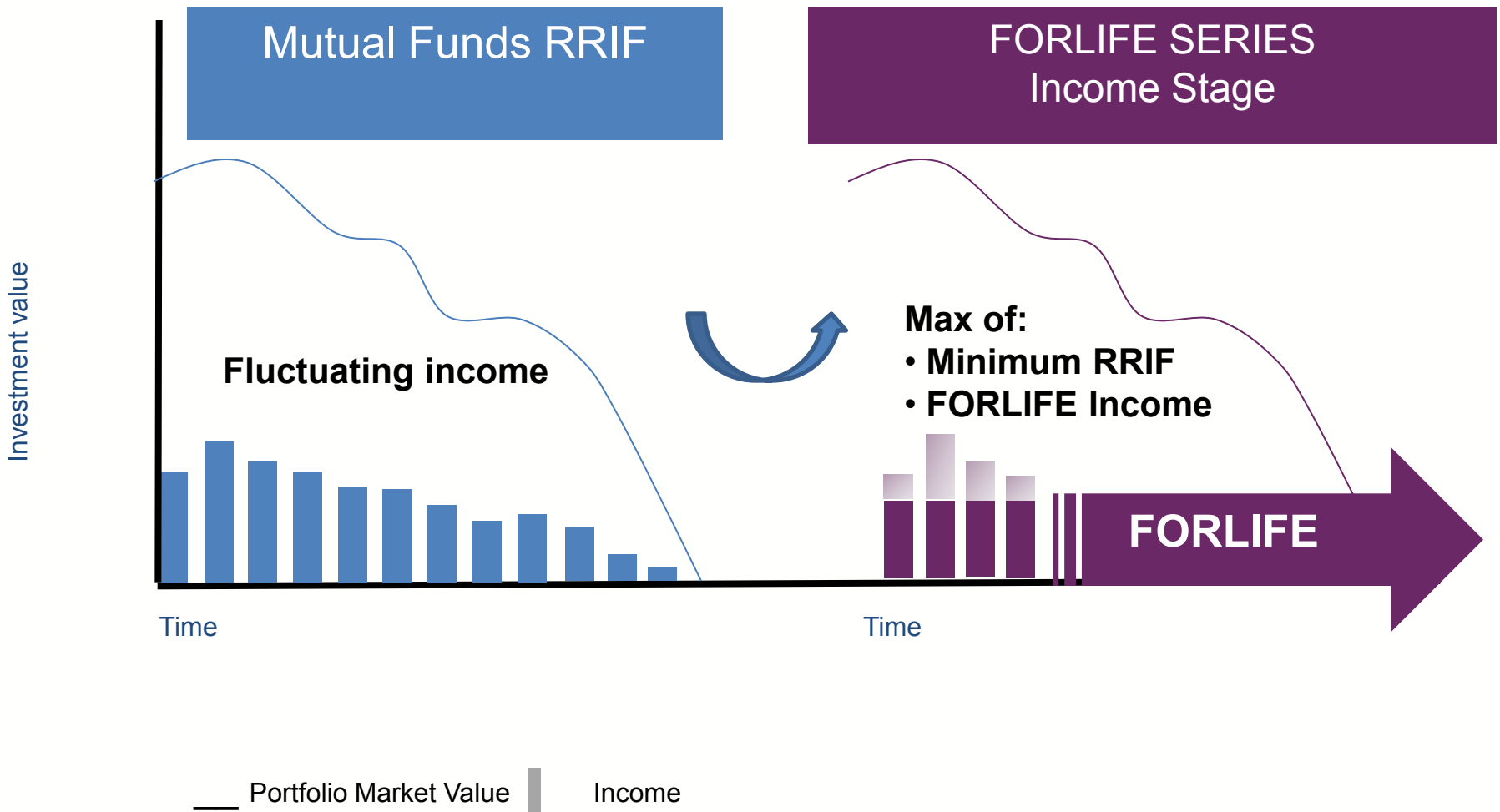
- Clients looking for a pension plan
- Clients invested in GICs
- Clients invested in Mutual or Segregated Funds





# The FORLIFE SERIES Income Stage

## Offer them a RRIF for Life



# Fee Comparison

Funds	Series 75/100	FORLIFE Series	Ecoflex Series 100/100
Managed solutions	3.08%	3.23%	3.40%
Income	2.47%	2.47%	2.62%
Diversified	3.12%	3.30%	3.48%
Hybrid (75% equity)	3.20%	3.42%	3.65%
Canadian equity	3.07%	3.37%	3.62%

## Availability of the FORLIFE Series

- Available on contracts issued from November 24
- Inter-contract transfer compensation
  - FEL at 0% only
  - DSC/CB charges will apply

# Compensation

## New Compensation

Savings Stage	Sales Commission							
	DSC	CB 3 yrs	CB 5 yrs	FEL				
Income funds	4.00%	2.50%	4.00%	0-5%				
All other funds	4.00%	2.50%	4.00%	0-5%				

# Compensation

## New Compensation

Savings Stage	Sales Commission				Trailer Commission			
	DSC	CB 3 yrs	CB 5 yrs	FEL	DSC	CB 3 yrs	CB 5 yrs	FEL
Income funds	4.00%	2.50%	4.00%	0-5%	0.175%	0.175%	0.175%	0.40%
All other funds	4.00%	2.50%	4.00%	0-5%	0.35%	0.35%	0.35%	0.80%

***For DSC and CB 5 years, the trailer commission is equal to the FEL trailer after the 7<sup>th</sup> year***

For CB 3 years, the trailer commission is equal to the FEL trailer after the 4<sup>th</sup> year

# Compensation

## New Compensation

Income Stage	Sales Commission				Trailer Commission			
	DSC	CB 3 yrs	CB 5 yrs	FEL	DSC	CB 3 yrs	CB 5 yrs	FEL
Both funds	3.00%	2.00%	3.00%	0-5%	0.20%	0.20%	0.20%	0.40%

*For DSC and CB 5 years, the trailer commission is equal to the FEL trailer after the 7<sup>th</sup> year*

For CB 3 years, the trailer commission is equal to the FEL trailer after the 4<sup>th</sup> year

# New Compensation

- Applies to:
  - All contracts except Ecoflex (*contracts sold before 2011*) and My Education
  - New deposits made on or after November 24<sup>th</sup>
- Charge back on FYC
  - 100% first 12 months
    - CB-3: Declining 4% per month from 13<sup>th</sup> to 36<sup>th</sup> month
    - CB-5: Declining 2% per month from 13<sup>th</sup> to 60<sup>th</sup> month



# New contracts from November 24, 2014

## New Compensation

### **For non-registered and TFSA contracts:**

A commission equal to 1% of the market value of any **amount transferred to the Income Stage** is payable<sup>1</sup>

### For registered contracts:

A commission equal to 1% of the market value is payable **upon conversion of RRSP/LIRA to a RRIF/LIF**

➤ In both cases, the amount transferred must have been invested for at least 24 months in the contract.

<sup>1</sup> The amount transferred must come from the same contract: from the Classic 75/75, 75/100 or Ecoflex 100/100 Series or from the Savings Stage.



## Compensation Overview

### **For new deposits on or after November 24<sup>th</sup>:**

- FYC: DSC equivalent to CB 5
- Higher trailer – automatic after 7 yrs for both DSC and CB 5
- For new contracts, full 1% additional commission to agent on transfer to Income Stage
- 3% compensation with direct investment in Income stage

**Also discover our New Growth Bonus and qualify for IA conference 2017**



# Segregated Fund Advantages

## Beneficiary designation

- At death – avoid probate process
  - ✓ **Speedy** estate **settlement**
  - ✓ **No expense** of probate
  - ✓ **Privacy** of proceeds of the estate
- **Creditor protection**
  - ✓ Helpful for small business owners, professionals and self-employed workers
  - ✓ **Protect personal assets** from bankruptcy or professional liability

## FORLIFE Series – Savings Stage

### Pension Plan for Your Clients

- ✓ 5% minimum income rate\*
- ✓ Strong lineup of investment managers
- ✓ Competitive management fees
- ✓ Access to market value
- ✓ Complete protection of investment upon death



## FORLIFE Series – Income Stage

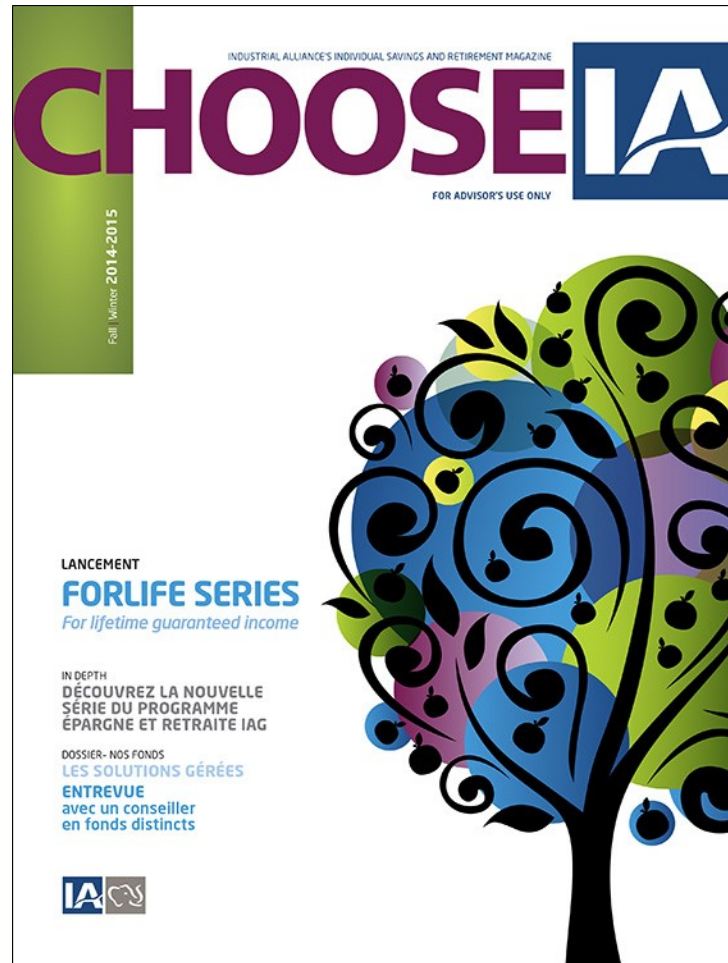
### Pension Plan for Your Clients

- ✓ Guaranteed FORLIFE Income
- ✓ Automatic reset of Income every 3 years
- ✓ Access to market value
- ✓ Complete protection of investment upon death





# The new edition of the *Choose IA* magazine Featuring the new FORLIFE Series





## Illustration Tool

Objective of the illustration tool:

- **SIMPLE! SIMPLE! SIMPLE!** For you and for your clients
- Web tool available on our public Extranet



# FORLIFE Series Video





A decorative graphic of a tree with colorful, swirling branches in shades of blue, green, and purple, set against a circular green background.

# Key points for you

- Simple solution for retirement
- Income guarantee FORLIFE
- Flexibility to switch funds in both stages
- Freedom to choose the best retirement solution when client needs income
- New improved compensation

A decorative graphic of a tree with colorful, swirling branches in shades of blue, green, and purple, set against a circular green background.

# Key points for your clients

- Security of future lifetime income
- 100% Capital protection in case of death
- Full access to market value
- Guaranteed income for life with upside potential



Available since Nov. 24, 2014

# FORLIFE Series

For lifetime guaranteed income

Security  The freedom to choose  Simplicity