

What exactly is a segregated fund?

The first thing to know is that a segregated fund functions much like a mutual fund: the capital from all investors is pooled together and invested by a portfolio manager in various types of assets, such as stocks or bonds, with the goal of generating returns. This also reduces the financial risk for each investor.

By contrast, segregated funds have key advantages that set them apart from mutual funds such as rapid payment and guarantees that keep invested amounts safe during market downturns.



Why choose segregated funds?

⌚ Speed

Money paid quickly at death

Having a designated beneficiary bypasses the normally lengthy estate settlement process, meaning that the funds are paid to the beneficiary promptly—typically within 10 business days. This spares them from having to use their personal savings to cover the deceased's financial commitments.

Funds are paid typically within 10 business days.



🛡️ 3-in-1 protection

Guaranteed capital

A segregated fund includes a guarantee that protects the fund holder's hard-earned money from market downturns.

In other words, when the contract matures or the holder passes away, at least 75% or 100% of the original investment is guaranteed to be paid out, depending on the percentage selected—even if the fund's market value has dropped.

Investment earnings

The fund goes through a reset process, where its value is calculated and frozen at a specific time. This is typically done during a period of strong market performance in order to get the highest possible return.

Simply put, it means the payout amount is locked in at a certain level so it does not drop when the contract ends or the holder passes away.¹ This helps protect the fund's investment gains when the economy and markets are performing less well.

Protection from creditors

In the event of bankruptcy or a lawsuit, the fund's assets may be protected from creditors.² This is a key advantage for business owners and professionals who want to limit the financial risks that come with running a business or practice.

¹ Certain conditions apply depending on the fund series selected. For details: [The advantages of segregated funds](#).

² Certain conditions apply. For details: [Creditor protection](#).

Why choose segregated funds?

Cost savings

Expenses at death

Designating a beneficiary in the contract helps reduce estate settlement expenses, such as probate fees, as well as the professional fees of accountants, lawyers or executors.

Probate is the legal process of validating the deceased's will. The fees vary widely from province to province, from \$0 in Quebec and Manitoba to as much as \$14,000 or more in Ontario!³

Expertise—and results!

iA Financial Group is the leader in segregated funds in Canada⁴

We hold this enviable position because we offer:

- The in-depth expertise of an internal investment management team (iAGAM)
- A range of funds managed by renowned external managers and firms
- Enhanced potential returns and competitive management fees



To dig deeper

Consultez ces documents

[The advantages of segregated funds](#)

[Segregated funds in 10 questions](#)

[Creditor protection](#)

[iA Financial Group, Leader in segregated funds in Canada](#)

³ On an estate of 1 million dollars. Source: <https://www.https://www.edwardjones.ca/ca-en/market-news-insights/guidance-perspectives/probate-canada>.

⁴ Number one in net segregated fund sales since 2016 and gross sales since 2021.

With over 130 years of history in the insurance and wealth management businesses, **iA Financial Group** is a name that inspires trust for its clients. Founded in 1892, iA has always succeeded in adapting its practices and product offering to changing market needs in order to meet the needs of clients.

Our mission is to ensure the financial wellbeing of our clients by offering them personal insurance coverage and investment solutions to help them achieve their personal goals.

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