

Key elements to understand investment statements



Individual Savings and Retirement investment statement

- Statements are sent twice a year: on June 30 and December 31.
- They are available in the Advisor Centre and are identical to the statements sent to your clients.
- Each statement contains the same sections.
- The information contained therein is adapted according to the contracts held by your clients.

This document:

- Provides more details about your clients' personal rate of return and investment fund returns
- Explains the key elements of the investment statements to help you better answer your clients' questions

Comparison between personal rate of return and investment fund return

Personal rate of return	Investment funds return
<p>Uses dollar-weighted rate of return calculation</p> <ul style="list-style-type: none"> — Is recognized in the investment funds industry — Takes into consideration the time and value of the deposit or redemption of each fund held by the client: <ul style="list-style-type: none"> – May have an influence (positive or negative) on the client's calculated personal rate of return — Does not include the daily interest fund+ (DIF+), the high interest savings account or guaranteed interest funds (GIF) 	<p>Uses time-weighted rate of return calculation</p> <ul style="list-style-type: none"> — Allows for comparison between multiple funds — Calculation period is adjusted based on the client's initial contribution if made during the current year — Does not take into account transaction amounts — Corresponds to the fund rates of return posted on ia.ca

Impact of monetary movements on the personal rate of return

Monetary movements	Return on the investment account			
	Before a positive return period		Before a negative return period	
Large deposit	Personal rate of return	>	Investment fund return	Personal rate of return < Investment fund return
Large withdrawal	Personal rate of return	<	Investment fund return	Personal rate of return > Investment fund return
No deposit or withdrawal	Personal rate of return = Investment fund return			

Since monetary movements are specific to each client, the dollar-weighted rate of return calculation method is the best way to calculate your clients' personal rate of return and generate a discussion on whether they are on track to meet their financial objectives.

Understanding the impacts of monetary movements on the personal rate of return

A client has a balance in his portfolio of \$10,000 at the beginning of the year and gets a 2% return for the first 11 months:



Situation 1: Large DEPOSIT before a significant market fluctuation

On November 30, the client makes a **contribution of \$12,000**. During the last month of the year, the portfolio **loses 6%** of its value due to a market downturn.

Here is an overview of the situation:

Period	Market value at beginning of period	Return for the period	Gain / loss for the period	Market value at end of period
Months 1 – 11	\$10,000	2%	\$200	\$10,200
Month 11	Contribution of \$12,000			\$22,200
Months 11 – 12	\$22,200	-6%	-\$1,332	\$20,868
Annual personal rate of return		-10.3%	-\$1,132	
Annual investment funds return		-4.1%	—	

The contribution at the end of November had the following effect:

- Significantly increased the assets in the account before the 6% drop in the return
- **Cancelled the positive returns** from the first 11 months because a larger amount of capital was involved before the 6% drop
- Led to a personal rate of return of -10.3%, lower than the investment funds return of -4.1%

Conversely, in a situation where the portfolio had gained 6% of its value during the last month of the year, the personal rate of return would have been much higher (+14%) than the investment funds return (+8.1%).

Dollar-cost averaging (DCA)

This periodic investment strategy reduces the risks caused by stock market fluctuations and the impact of a large investment made at a bad time and capitalizes on long-term performance.



Situation 2: Large REDEMPTION before a significant market fluctuation

On November 30, the client makes a **redemption of \$8,000**. During the last month of the year, the portfolio **loses 6%** of its value due to a market downturn.

Here is an overview of the situation:

Period	Market value at beginning of period	Return for the period	Gain / loss for the period	Market value at end of period
Months 1 – 11	\$10,000	2%	\$200	\$10,200
Month 11	Redemption of \$8,000			\$2,200
Months 11 – 12	\$2,200	-6%	-\$132	\$2,068
Annual personal rate of return		+0.7%	\$68	
Annual investment funds return		-4.1%	—	

The redemption at the end of November had the following effect:

- Significantly reduced the assets in the account before the 6% drop in the return
- **Reduced the effect of the 6% drop** on the portfolio because a smaller amount of capital was involved
- Led to a personal rate of return of +0.7%, higher than the investment funds return of -4.1%

Conversely, in a situation where the portfolio had gained 6% of its value during the last month of the year, the personal rate of return would have been lower (+3.6%) than the investment funds return (+8.1%).

While selling may seem more reassuring in turbulent markets, the fact remains that staying invested rather than trying to guess the best time to make monetary movements remains the most beneficial solution in the long term.

Key elements – Investment statement

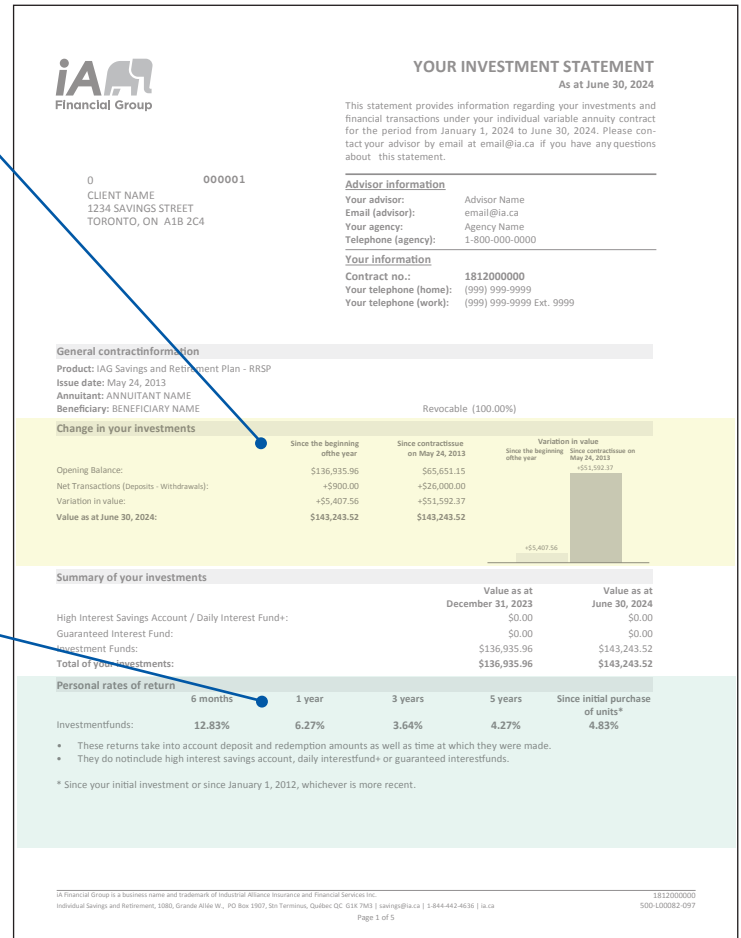
The example shown here is based on the visual of an investment statement for an RRSP.

Change in your investments since contract issue

- Deposits include those by cheque, preauthorized payments or contribution tool, intercontract transfers and any other transfer from another financial institution.
- Withdrawals include any type of withdrawal with the exception of interfund transfers and guarantee fees.
- The variation includes investment funds return, units credited at maturity and at death, guarantee fees, NSF fees, deferred sales fees, Diploma education bonus and Diploma surrender fees, if applicable.

Personal rates of return

- The personal rate of return shown does not include daily interest fund+ (DIF+), the high interest savings account or guaranteed interest funds (GIF).
- The return shown on the December 31 statement corresponds to the return for the entire year even if only transactions from the second half of the year are shown.
- The personal rate of return is calculated using the dollar-weighted rate of return method.
 - This method takes into account the amount of deposits and redemptions as well as the time at which they are made.
 - It thus represents the real return realized by the client's investments.




Your guarantees

- When clients invest in segregated funds, they benefit from guarantees.
- This section shows the guarantees according to the type of product and series.

Your investments

- Asset allocation of your clients' investments as at the date of the investment statement.
- Provides an overview of the investments divided into the following three categories:
 - Daily interest account+ (DIF+)/high interest savings account
 - Guaranteed interest funds (GIF)
 - Investment funds
- The performance of investment funds is calculated using the time-weighted rate of return method:
 - This method makes it possible to compare several funds.
 - The calculation period is adjusted based on the client's initial contribution if made within the current year.


Contract number: 1812000000
From January 1, 2024 to June 30, 2024

YOUR GUARANTEES

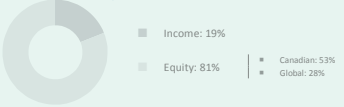
Classic Series 75/75

Value of your funds:	\$143,243.52
Maturity date of the guarantee:	December 31, 2065
Guaranteed value at maturity:	\$68,738.55
Guaranteed value at death:	\$68,738.55

Important notes

- When surrenders are made, the values of your guarantees at maturity and death are adjusted in proportion to the decrease in fund values.
- For more detailed information, please consult your *Information Folder* and your IAG Savings and Retirement Plan individual variable annuity contract.

YOUR INVESTMENTS



Your current asset allocation corresponds to an **Aggressive** portfolio profile. Should changes be required, please contact your advisor.

Investment Funds

This section lists the values and performance for the investment funds you hold in your contract as at the statement date. The rates shown here may differ from the personal rates of return for your investment funds.

	Number of units	Unit value	Fund value	Rate of return Year to date*
Classic Series 75/75				
Diversified Funds				
46705-FEL-Diversified	8.6986	\$59.4981	\$517.55	2.58%
46700-DSC-Diversified	861.2000	\$59.4981	\$51,239.76	2.58%
45853-NSC-Global Diversified (Loomis Sayles)	54.5415	\$23.6802	\$1,291.55	5.79%
Canadian Equity funds				
46955-FEL-Dividend Growth	32.2964	\$32.4648	\$1,048.50	4.81%
46950-DSC-Dividend Growth	1,722.9436	\$32.4648	\$55,935.02	4.80%
U.S. & International Equity Funds				
44205-FEL-U.S. Equity	16.6673	\$32.1187	\$535.33	8.34%
44200-DSC-U.S. Equity	771.7154	\$32.1187	\$24,786.50	8.34%

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Transaction details for the period

- Only the transactions made within the statement period relating to the daily interest fund+ (DIF+), the high interest savings account and to segregated funds are displayed.
- Transactions relating to guaranteed interest funds are never shown.

Classic Series 75/75

Specialty Funds

41040-DSC-Emerging Markets (Jarrislowsky Fraser)	91.8965	\$9.7159	\$892.86	6.29%
45655-FEL-Real Estate Income	11.2128	\$42.1120	\$472.19	-7.38%
45650-DSC-Real Estate Income	154.9265	\$42.1120	\$6,524.26	-7.38%
Total - Classic Series 75/75			\$143,243.52	
Total - Investment funds			\$143,243.52	

* Year to date: represents fund performance since the beginning of the year or since your initial investment in the fund, whichever is more recent.

Deferred Sales Charge (DSC): The investment funds have surrender fees.
 No sales charge (NSC): The investment funds are free of surrender fees.
 Front-End Load (FEL): The investment funds are free of surrender fees.

For more details on the performance of each fund, visit our website at ia.ca.

TRANSACTION DETAILS FOR THE PERIOD

Investment Funds

Date	Transaction	Gross amount	Units traded	Balance of Units	Unit Value	Fund Value
Classic Series 75/75						
46705-FEL-Diversified						
2024-01-15	PAD Premium	\$45.00	0.7733	6.4242	\$58.1926	
2024-02-15	PAD Premium	\$45.00	0.7667	7.1909	\$58.6954	
2024-03-15	PAD Premium	\$45.00	0.7530	7.9439	\$59.7601	
2024-04-15	PAD Premium	\$45.00	0.7547	8.6986	\$59.6268	
2024-06-30	Closing balance			8.6986	\$59.4981	\$517.55
46955-FEL-Dividend Growth						
2024-01-15	PAD Premium	\$90.00	2.8821	23.9483	\$31.2276	
2024-02-15	PAD Premium	\$90.00	2.8281	26.7764	\$31.8240	
2024-03-15	PAD Premium	\$90.00	2.7409	29.5173	\$32.8364	
2024-04-15	PAD Premium	\$90.00	2.7791	32.2964	\$32.8846	
2024-06-30	Closing balance			32.2964	\$32.4648	\$1,048.50
44205-FEL-U.S. Equity						
2024-01-15	PAD Premium	\$45.00	1.4847	12.4617	\$30.3097	
2024-02-15	PAD Premium	\$45.00	1.4282	13.8899	\$31.5090	
2024-03-15	PAD Premium	\$45.00	1.3925	15.2824	\$32.3160	
2024-04-15	PAD Premium	\$45.00	1.3849	16.6673	\$32.4943	
2024-06-30	Closing balance			16.6673	\$32.1187	\$535.33
45655-FEL-Real Estate Income						
2024-01-15	PAD Premium	\$45.00	0.9788	8.1507	\$45.9767	
2024-02-15	PAD Premium	\$45.00	0.9847	9.1354	\$45.7006	
2024-03-15	PAD Premium	\$45.00	1.0159	10.1513	\$44.2936	

Special features of your contract

Different subsections are presented in this section of the investment statement depending on the characteristics of the contract.

- Here are a few examples:
 - Pre-authorized debits (PAD)
 - Automatic investment term (AIT)
 - Periodic income program (PIP)
 - Automatic withdrawal term (AWT)
 - Dollar-cost averaging (DCA)
 - RSP, TFSA or FHSA contributions
 - Summary of periodic payments

For RRIF and LIF contracts

- Payment information for the following year¹:
 - Minimum payment
 - Maximum payment (if LIF)
 - Gross benefit
 - Total taxes (federal and provincial, if applicable)
 - Net benefit

For RESP contracts:

- Information relating to amounts saved for each beneficiary since the beginning of the current year
- The cumulative since the contract was issued
- Different subsections are included depending on the characteristics of the contract:
 - Assisted contributions
 - Unassisted contributions²
 - Canada Education Savings Grant (CESG)
 - Canada Learning Bond (CLB)
 - Quebec Education Savings Incentive (QESI)
 - British Columbia Training and Education Savings Grant (BCTESG)
- To determine the income amount:
 - Subtract the value of contributions and grants from the market value of the contract.

¹ The information regarding RRIF and LIF payments only appears on the statement of December 31.

² Unassisted contributions: Because grant applications are usually made on a monthly basis, there is always a delay between the time the contribution is made, the time the application is sent to the Canada Education Savings Program (CESP) and the time the grant is received. A contribution for which no grant amount was received will be included in the unassisted contributions category. For example, the grant application for a contribution received in December is sent to the CESP at the beginning of January and the grant will be received approximately 30 days later.

Investment Funds		Gross amount	Units traded	Balance of Units	Unit Value	Fund Value
Classic Series 15/75						
45655-FEL-Real Estate Income						
2024-04-15	PAD Premium	\$45.00	1.0615	11.2128	\$42.3916	
2024-06-30	Closing balance			11.2128	\$42.1120	\$472.19


SPECIAL FEATURES OF YOUR CONTRACT	
Pre-authorized debits (PAD)	
You have chosen to invest regularly through pre-authorized debits (PAD). Your pre-authorized payment of \$225.00 will be made on the 15 of each month and all PAD premiums will be invested as follows:	
46705-FEL-Diversified	\$45.00
46955-FEL-Dividend Growth	\$90.00
44205-FEL-U.S. Equity	\$45.00
45655-FEL-Real Estate Income	\$45.00
RRSP contributions	
The total amount of contributions made to your contract since January 1, 2024:	
For the first 60 days of the year:	\$450.00
For the remaining period:	\$450.00

IMPORTANT INFORMATION	
Funds - Changes	
<ul style="list-style-type: none"> • An update to the risk factors associated with each Fund was made in 2023. You will find the details in the Fund Facts edition dated December 31, 2023, on our website (https://ia.ca/individuals/individualsavings/publications-savings). This update does not result in any changes to the total value of your investments, the number of units and their unit value, the total management expense ratio (MER), the fundamental investment objective or the risk profile of the Fund. Finally, this change does not affect the contractual benefits, guarantees or maturity date of your contract. • As of December 31, 2023, the target asset allocation of the Real Estate Income (IA) Fund is modified to represent 100% equities, as opposed to the previous allocation of 15% income and 85% equities. • Dividend Growth (IA) Fund: In April 2024, the conclusion of an analysis of this Fund led to the replacement of the underlying fund in which it is invested. To do so, units of the IA Clarington Canadian Dividend Fund will gradually replace the units of the current IA Clarington Dividend Growth Class underlying fund. At the end of this exercise, which may take a few years, all the assets of the Dividend Growth (IA) Fund will be invested in the IA Clarington Canadian Dividend underlying fund. This replacement is not anticipated to cause changes to your investments, the fundamental investment objective, or the risk profile of the Fund. Finally, this change does not affect your contractual benefits, but may cause a variation in capital gain or loss for non-registered contracts until the underlying fund is totally replaced. 	

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Important information

- This section contains information relating to the sound management of your clients' contracts, including:
 - Instructions to consult the contract online in My Client Space
 - Procedure for requesting the financial report and other financial information relating to the investment funds
 - Changes made to the funds



Contract number: 1812000000
From January 1, 2024 to June 30, 2024

Investment Funds						
Date	Transaction	Gross amount	Units traded	Balance of Units	Unit Value	Fund Value
Classic Series 75/75						
45655-FEL-Real Estate Income						
2024-04-15	PAD Premium	\$45.00	1.0615	11.2128	\$42.3916	
2024-06-30	Closing balance			11.2128	\$42.1120	\$472.19

SPECIAL FEATURES OF YOUR CONTRACT

Pre-authorized debits (PAD)

You have chosen to invest regularly through pre-authorized debits (PAD). Your pre-authorized payment of \$225.00 will be made on the 15 of each month and all PAD premiums will be invested as follows:

46705-FEL-Diversified	\$45.00
46955-FEL-Dividend Growth	\$90.00
44205-FEL-U.S. Equity	\$45.00
45655-FEL-Real Estate Income	\$45.00

RRSP contributions


The total amount of contributions made to your contract since January 1, 2024:
 For the first 60 days of the year: \$450.00
 For the remaining period: \$450.00

IMPORTANT INFORMATION

Funds - Changes

- An update to the risk factors associated with each Fund was made in 2023. You will find the details in the Fund Facts edition dated December 31, 2023, on our website (<https://ia.ca/individuals/individualsavings/publications-savings>). This update does not result in any changes to the total value of your investments, the number of units and their unit value, the total management expense ratio (MER), the fundamental investment objective or the risk profile of the Fund. Finally, this change does not affect the contractual benefits, guarantees or maturity date of your contract.
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- Dividend Growth (IA) Fund: In April 2024, the conclusion of an analysis of this Fund led to the replacement of the underlying fund in which it is invested. To do so, units of the IA Clarington Canadian Dividend Fund will gradually replace the units of the current IA Clarington Dividend Growth Class underlying fund. At the end of this exercise, which may take a few years, all the assets of the Dividend Growth (IA) Fund will be invested in the IA Clarington Canadian Dividend underlying fund. This replacement is not anticipated to cause changes to your investments, the fundamental investment objective, or the risk profile of the Fund. Finally, this change does not affect your contractual benefits, but may cause a variation in capital gain or loss for non-registered contracts until the underlying fund is totally replaced.

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Contract number: 1812000000
From January 1, 2024 to June 30, 2024

Online access

Your file at your fingertips! Sign up to receive documents online. Go to the "Sign up for electronic services" section of your My Client Space account. You will be able to consult your entire file at any time. Say goodbye to paper! It's simple, quick and secure!

1. Go to ia.ca.
2. Click on **Connect** in the upper right-hand corner of the screen. Choose **My Client Space**.
3. Click on **Create account** in the middle of the screen. Enter the requested information. You will need to have your contract number handy. You can find it in the upper right-hand corner of the first page of your statement.

Investment fund financial information

Please note that you can consult the following information at any time on our website, at ia.ca:

- The audited annual financial report and unaudited semi-annual financial report
- The net overall performance of the investment funds for the last 1, 3, 5 and 10 year periods
- The current Fund Facts information

You can also receive a paper copy of the financial report by sending a request in writing to the following address:

Individual Savings and Retirement
 Industrial Alliance Insurance and Financial Services Inc.
 1080 Grande Allée West
 PO Box 1907, Station Terminus
 Québec City, QC G1K 7M3

Please include the following information with your request:

- your full name (first and last name)
- your contract number
- your full address

N. B. The above information is provided only for requests for the investment fund financial report. For any other requests or information, please contact your financial security advisor, whose contact information appears on the first page of this document.

For more information

Contact the Individual Savings and Retirement Customer Service Department at savings@ia.ca or at **1-844-4IA-INFO** (442-4636).