

iA Financial Announces 2023 EquiBuild Guaranteed Interest Rates

WESTWARD'S VIEWPOINT

iA Financial (iA) life insurance policies with funds invested in the EquiBuild Account (EquiBuild) will earn a **guaranteed interest rate of 3.60% in 2023**, up from 3.25% in 2022.

The EquiBuild bonus on policy anniversaries in 2023 is 1.60% of the average guaranteed cash surrender value in the prior policy year, up from 1.25% in 2022.

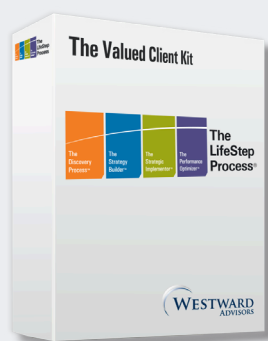
iA's December 12, 2022 rate announcement says, "The EquiBuild Fund rate increase comes from the revision of the Fund's target asset allocation and of the smoothing formula applied to returns earned on the Fund's assets."

"The Fund's new target asset allocation was determined as part of the company's asset strategy review. This new allocation comprises an increase in the proportion of non-fixed income, which will provide our clients' values with an enhanced growth potential while maintaining a prudent and diversified investment approach."

"The new smoothing formula is based on the company's long-term return expectations related to the new asset allocation, while continuing to amortize major fluctuations in the Fund's actual returns, whether positive or negative in comparison to the credited returns. The main objective remains to provide a stable, low-volatility declared rate from year to year."

"The EquiBuild Fund document will be updated and published in March 2023 to include a description of the new smoothing formula as well as the Fund's new target asset allocation."

For more information, clients can contact their Account Manager or Wayne Stone at waynes@westwardadvisors.com.



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iA EQUIBUILD FUND REPORT AS OF DECEMBER 31, 2021

Policy funds invested in EquiBuild are managed on a discretionary basis by iA in an underlying portfolio (the "Fund"). The following information is extracted from *The EquiBuild Fund* report published by iA in March 2022.

The investment objective is to "optimize the asset allocation in order to earn long-term returns superior to those on guaranteed investment accounts, while maintaining an appropriate risk level that will provide long-term returns stability."

The EquiBuild policy interest rate is "set annually by applying a smoothing formula to the returns on the Fund assets. This formula amortizes the major fluctuations in returns (positive and negative) and provides a stable, low volatility declared rate from year to year. Only a change to the smoothing formula that would benefit all EquiBuild clients could lead [iA] to change the smoothing formula."

Returns on the EquiBuild Fund

Year	EQUIBUILD FUND RETURNS			Policy Rate
	Gross	Fee	Net	
2017	5.20%	1.50%	3.70%	4.25%
2018	2.40%	1.50%	0.90%	4.25%
2019	7.70%	1.50%	6.20%	4.25%
2020	2.20%	1.50%	0.70%	3.75%
2021	6.90%	1.50%	5.40%	3.50%
Average	4.88%	1.50%	3.38%	4.00%
2022	TBA	1.50%	TBA	3.25%
2023				3.60%

EquiBuild Fund Asset Allocation as of December 31, 2021

