

iA Financial Announces 2024 SRIA Guaranteed Interest Rate

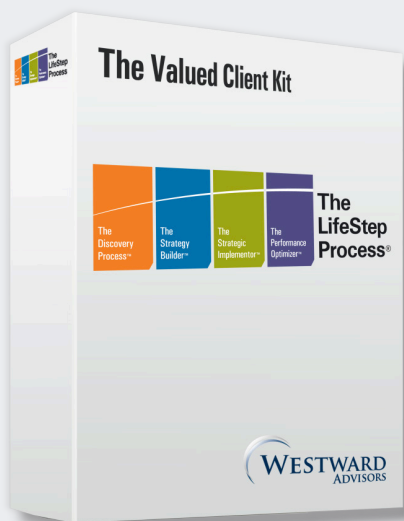
WESTWARD'S VIEWPOINT

iA Financial (iA) recently announced that the Smoothed Return Index Account (SRIA) **interest rate guaranteed for calendar 2024 is 2.90%**, up from 2.50% in calendar 2023 (*announcement attached*).

iA says the main factor accounting for the net increase in the credited rate for 2024 is the rise in the company's long-term return expectations as a consequence of the recent economic environment and the rise in interest rates.

We have contacted iA for historical returns since October 31, 2022 and will update the historical performance table when iA publishes the data.

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



The opinions expressed in this memorandum are strictly those of Westward Advisors Ltd. This memorandum is for information purposes only and is not legal or tax advice.

iA FINANCIAL SRIA INVESTMENT ACCOUNT

The SRIA is an investment account option in certain iA universal life insurance policies. Policy funds invested in the SRIA are managed on a discretionary basis by iA in an underlying portfolio (the "SRIA Fund"). The investment objective is low yield volatility with a long-term focus targeting superior returns while minimizing the risk of capital loss. Actual returns in the SRIA Fund are smoothed into the SRIA policy interest rate through a guaranteed calendar year interest rate announced prior to each calendar year. For this purpose, actual returns include unrealized gains and losses.

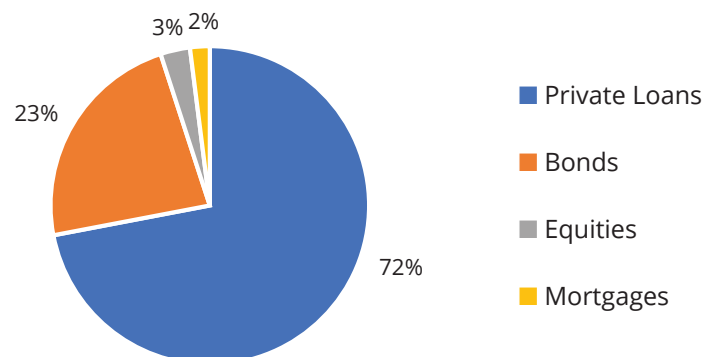
HISTORICAL PERFORMANCE

The historical performance of the SRIA published to date is as follows:

YEAR	SRIA FUND RETURNS			POLICY RATE
	Gross	Fee	Net	
2014	5.82%	1.50%	4.32%	4.60%
2015	4.88%	1.50%	3.38%	4.60%
2016	6.67%	1.50%	5.17%	4.60%
2017	5.96%	1.50%	4.46%	4.60%
2018	3.85%	1.50%	2.35%	4.00%
2019	6.60%	1.50%	5.10%	3.50%
2020	7.88%	1.50%	6.38%	3.00%
2021	1.60%	1.50%	0.10%	2.75%
2022 (to Oct 31)	0.86%	1.50%	(0.64%)	2.75%
2023				2.50%
Average	4.98%	1.50%	3.48%	3.69%

ASSET ALLOCATION

As of October 31, 2023, the SRIA Fund's market value was \$666 million allocated as follows. The average duration of the bond portfolio is approximately ten years.:





SRIA and CLF Rates for 2024

The credited rate for iA's Stabilized Return Index Account (SRIA) for 2024 will increase from 2.50% to 2.90%. As a result, the CLF loan rate for 2024 will increase from 4.00% to 4.40%. Please review the information below concerning the SRIA.

Smoothing Formula

The SRIA credited rate is determined using a smoothing formula. The smoothing formula is based on the company's long-term return expectations related to the fund asset allocation, while amortizing major fluctuations of the Fund's actual returns. The objective of the smoothing formula is to significantly reduce yield volatility levels for those policyholders who have chosen to invest in the SRIA while at the same time ensuring that all fund earnings, after deducting applicable annual management fees, accrue to the benefit of policyholders.

SRIA Results

The main factor accounting for the net increase in the credited rate for 2024 is the rise in the company's long-term return expectations, as a consequence of the recent economic environment and the rise in interest rates.

SRIA Asset Mix

As at October 31, 2023, the total asset value of the SRIA was \$666 million. As at that date, approximately 72% of the assets were invested in private loans, 23% in high-quality bonds, 3% in common shares and 2% in alternative asset (essentially mortgages). The average duration of the bonds is approximately ten years.