

At-a-Glance: Segregated Funds vs. Mutual Funds



You want to grow and protect your hard earned savings by investing in a diversified fund lineup, you want easy access to your money, and you want to benefit from your money being professionally managed. We'll help you get there with this informative comparison chart on a couple investment options.

When considering retirement investment solutions, Canadians want growth, but they also want security. It's a surprise to many to learn that segregated funds — often overlooked — actually offer both.

At first glance, segregated funds resemble their mutual fund counterparts. Both contain a diversified portfolio of investments and offer professional money management, with easy access to your assets. But segregated funds have some unique features that can complement a diverse investment portfolio:



Principal protection

- Maturity guarantees¹
- Death benefit guarantees¹



Estate planning benefits

- The ability to bypass probate²



Resets

- Locked-in gains on your investment











Potential creditor protection

- Your segregated fund assets may be protected from creditors in the event of a bankruptcy, which is especially important if you are a business owner or self-employed³



Insurance

For those seeking growth potential with protection from market volatility, segregated funds are worth a look. To jump-start your research, below is a complete breakdown of both investment options.

Features	Segregated Funds ⁴	Mutual Funds
 Professional portfolio management	✓	✓
 Ability to grow your money while diversifying risk	✓	✓
 Liquidity: easy access to your money	✓	✓
 Estate planning benefits: ability to bypass probate and keep financial affairs private	✓	Occasionally ^{2,5}
 Potential creditor protection for registered accounts	✓	✓
 Potential creditor protection for non-registered accounts	✓	
 A guarantee of the principal (or a specified percentage) at maturity or death ¹	✓	
 Locked-in gains on your investment using resets	✓	

**Insurance can be hard to understand. We'll help you get it.
Contact me today!**



Insurance

¹ Withdrawals reduce guarantees proportionately. Guarantees end at age 100.

² Probate fees and requirements vary by province.

³ You should consult your legal and financial advisor about your individual circumstances.

⁴ Segregated fund fees are higher than mutual fund fees as they include a management fee and an insurance fee component.

⁵ Non-registered accounts with joint ownership and right of survivorship only (all provinces except Quebec). Registered accounts can bypass probate when a beneficiary is named.

This document is being provided for general information purposes only and the contents should not be relied upon as containing specific financial, investment, tax or related advice. Clients must seek their own independent advice.

Any amount that is allocated to a segregated fund is invested at the risk of the contract holder and may increase or decrease in value.

RBC Guaranteed Investment Funds are individual variable annuity contracts and are referred to as segregated funds. RBC Life Insurance Company is the sole issuer and guarantor of the guarantee provisions contained in these contracts. The underlying mutual funds and portfolios available in these contracts are managed by RBC Global Asset Management Inc. When clients deposit money into an RBC Guaranteed Investment Funds contract, they are not buying units of the RBC Global Asset Management Inc. mutual fund or portfolio and therefore do not possess any of the rights and privileges of the unitholders of such funds. Details of the applicable Contract are contained in the RBC GIF Information. Folder and Contract at www.rbcinsurance.com/segregatedfunds.