

Why Sun Life segregated funds – and why now?

Segregated fund contracts (seg funds) are more than just another investment product. They're a strategic tool that empowers advisors to address help client concerns around **capital preservation, estate planning and guaranteed income**. Unlike traditional mutual funds, seg funds are offered through insurance contracts and provide unique benefits:

- **Maturity and death benefit guarantees** (typically 75–100% of deposits)
- **Potential creditor protection** in certain circumstances – appealing to business owners and professionals
- **Estate planning advantages**, including bypassing probate for faster, private wealth transfer
- **Lifetime guaranteed income options**, such as **Sun Life's Sun GIF Solutions – [Income Series](#)**, for predictable, sustainable income for life

Integrating seg funds into their practice can help advisors position themselves as holistic planners who consider not only investment growth but also risk management and legacy planning.

Who benefits most from seg funds?

These funds resonate strongly with clients who value guarantees and estate efficiency:

- **Business owners** and professionals seeking potential creditor protection
- **High-net-worth individuals** concerned about probate and estate privacy
- **Pre-retirees and retirees** looking for guaranteed lifetime income
- **Clients with dependents** who want to ensure wealth transfer with minimal delay
- **Conservative investors** seeking growth potential with certain downside protection

The timing for seg funds has never been more compelling

Canadian advisors are navigating a landscape shaped by **market volatility, rising longevity and heightened client concerns about estate efficiency and retirement security**. Seg funds – particularly through Sun Life **Sun GIF Solutions** – offer a timely response to these challenges.

Key drivers

- **Market uncertainty:** With ongoing volatility, clients are anxious about downside risk. Seg funds provide certain guarantees while still offering the opportunity to participate in market growth.
- **Retirement wave:** Canada is experiencing a demographic shift as baby boomers enter retirement. Products like **Sun GIF Solutions – Income Series** deliver guaranteed lifetime income to help address the fear of outliving savings.

- **Estate planning urgency:** Probate delays and costs are top of mind for aging clients. Sun Life's **Sun GIF Solutions** allow wealth to transfer quickly, privately and efficiently.
- **Client demand for security:** In uncertain times, clients value advisors who can offer solutions that can help provide peace of mind. Seg funds combine investment potential with insurance guarantees.
- **Advisor differentiation:** With robo-advisors commoditizing investment management, integrating segregated funds can help advisors demonstrate a holistic approach – protecting legacies and securing income.

Why advisors should consider seg funds for retirees

In retirement, income stability and/or estate clarity are paramount. Sun Life **Sun GIF Solutions'** four unique Series– offer solutions tailored to these needs:

- **Income Series:** Provides guaranteed lifetime income that complements CPP, QPP and OAS.
- **Estate Series:** Designed for those aged 50–80 for efficient wealth transfer when estate planning.
- **Estate Heritage Series:** Tailored for clients aged 81–85, with a focus on legacy preservation.
- **Investment Series:** Offers growth potential across asset classes, for retirees who still want market exposure but with guarantees.

For retirees, depending on the type of seg fund they purchase, seg funds can provide a **blend of growth, protection and guaranteed income** – a combination that directly addresses the risks of longevity, market volatility and estate complexity.

Industry insights that help make the case for seg funds

- **Longevity risk:** Average Canadian life expectancy exceeds 82 years; 1 in 4 retirees will live past 90.¹
- **Estate planning pressure:** Probate fees in Ontario can reach 1.5% of estate value, with delays often exceeding six months.²
- **Advisor differentiation:** Insurance-based solutions help advisors stand out in a commoditized investment landscape.³

The bottom line

For Canadian advisors, segregated funds represent a powerful differentiator. By leveraging Sun Life's **Sun GIF Solutions** – including the Investment, Income, Estate and Estate Heritage Series – advisors can deliver comprehensive financial strategies that can help protect **clients' wealth, and that can provide lifetime income and ensure smooth estate transitions.**

This positions advisors not just as advisors or insurance agents, but as **trusted partners in lifelong financial security.**

¹Statistics Canada's Life Expectancy at Birth and at Age 65 (2023).

²Ontario Ministry of Finance and Canadian Bar Association. Ontario probate fees are \$15 per \$1,000 of estate value (1.5%). Legal commentary from the Canadian Bar Association notes probate delays often exceed 6 months. Probate, executor, accounting, and legal fees may vary by province and may be subject to change. Assets settled through the probate process are afterwards available in the public domain, whereas assets that bypass the process, information remains private.

³Investment Executive and FP Canada research.



To learn more about Sun Life's seg fund offerings, contact your Wealth Sales Team or:

Visit sunlifeglobalinvestments.com | Call **1-877-344-1434**



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*Withdrawals affect the value of contract guarantees. Moving between Sun GIF Solutions series in a non-registered contract can result in a taxable event.

**See the Sun GIF Solutions Information folders & contracts and supplements for more information.

Sun Life Assurance Company of Canada is the issuer of accumulation annuities (insurance GICs), payout annuities and individual variable annuity contracts (segregated fund contracts). Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value. Sun Life Financial Trust Inc. is the issuer of guaranteed investment certificates.

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