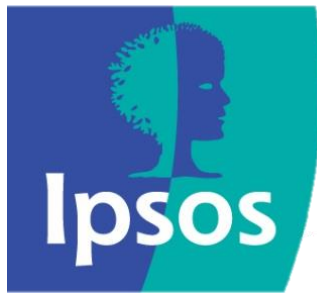


**Majority (60%) of High-Income Canadians aged 55+ Say They  
Aren't Familiar with Seg Funds as 80% Fail Quiz**  
*Few Are Exploring Use of Seg Funds, but 87% Say They'd Like an  
Investment Product that Guarantees Principal While Providing  
Opportunities for Growth*

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**Majority (60%) of High-Income Canadians aged 55+ Say They Aren't Familiar with Seg Funds as 80% Fail Quiz**  
*Few Are Exploring Use of Seg Funds, but 87% Say They'd Like an Investment Product that Guarantees Principal While Providing Opportunities for Growth*

**Toronto, ON** – A majority of high-income Canadians aged 55 and older don't have the facts when it comes to Segregated Funds (or "Seg Funds"), according to a new Ipsos poll conducted on behalf of RBC Insurance. The poll, which targeted Canadians aged 55+ with an annual household income of \$100K or more, found that many are unsure of how Seg Funds work – to the point that they are unwilling to even venture a guess.

Uncertainty about Seg Funds is not entirely surprising given that a majority (60%) of older, high-income Canadians disagrees they're familiar with this type of financial product (42% strongly/18% somewhat). A further 13% say they don't know if they're familiar, leaving just 27% agreeing they're familiar – but only 4% strongly agree they know the product.

Many lack knowledge about the fundamental provisions, costs or potential benefits of Seg Funds. For example, more than seven in ten (72%) don't know that Seg Funds have unique estate planning benefits such as the ability to avoid probate. Two in ten (22%) correctly say it's true, leaving 6% who think mistakenly it's false.

Two in three (67%) don't know whether their money is locked in when it comes to Seg Funds. Two in ten (21%) accurately say it's false, but 11% mistakenly think it's true.

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More than six in ten high-income Canadians aged 55 and up (63%) aren't sure if a life licensed advisor is needed to buy a Seg Fund. Two in ten (16%) correctly say it's true, while only 21% say it's false.

Six in ten (60%) don't know if they need to be 65 to invest in Seg Funds. Four in ten (39%) know that they don't have to meet this age requirement, leaving just 1% who think they do.

A majority (72%) don't know that you can invest in an RBC Insurance Seg Fund for as little as \$50 per month. One in four (26%) know it's true, with just 2% mistakenly thinking it's false.

Finally, a majority (59%) aren't sure if they can have Seg Funds in both registered and non-registered accounts. Four in ten (38%) correctly state that they can, while 3% think they can't.

### ***Uncertainty Prompts a Failing Grade***

With so many admitting they don't know the basics about Seg Funds, few were able to pass the survey's quiz on the topic. Eight in ten (80%) respondents failed the Seg Funds quiz, while just 20% obtained a passing grade. Men (25%) are more likely than women (15%) to have passed the quiz, while pass rates are comparably low across age groups (21% of those 55-64, 22% of those 65-74, and 15% of those 75 and over). Those residing in Ontario (24%) are the most likely to pass the quiz, followed by residents of Quebec (20%), BC (18%), Saskatchewan and Manitoba (16%), the Atlantic provinces (13%) and Alberta (12%).

### ***Lack of Familiarity Due to Low Use, Perceived Barriers***

This lack of familiarity is likely due to an absence of exposure: two in three (67%) disagree (46% strongly/21% somewhat) that they are 'actively exploring or utilising Seg Funds as part of their investment or retirement plan.' Less than two in ten (17%) agree that they are



exploring the use of Seg Funds for this purpose (3% strongly/14% somewhat), while 16% don't know if they are or not.

Cost may be acting as its own barrier to further trial of and familiarity with Seg Funds: nearly half (47%) 'disagree' (19% strongly/28% somewhat) that they wouldn't mind paying a higher fee for the added protection that Seg Funds offer over mutual funds, such as having their principal guaranteed at death for beneficiaries. One in three (33%) agree (4% strongly/29% somewhat) that they wouldn't mind paying extra for more protection, but nearly two in ten (19%) aren't sure.

### ***Opportunities in Guaranteed Principals and Estate Planning***

Eight in ten high-income Canadians (80%) currently agree (25% strongly/55% somewhat) that their investment portfolio is adequately diverse, leaving 13% who disagree (5% strongly/8% somewhat) and just 7% who don't know. But with just 17% currently looking at Seg Funds as part of their investment or retirement plans, there could still be opportunity to diversify portfolios further.

Indeed, nearly nine in ten (87%) agree (33% strongly/54% somewhat) they'd like to have an investment product that guarantees their principal while providing opportunities to grow. Very few (10%) disagree (5% strongly/6% somewhat) or are unsure (3%) on this point. Further, more than eight in ten (83%) agree (29% strongly/54% somewhat) that estate planning is important to them, leaving just 15% who disagree (4% strongly/11% somewhat) and 2% who aren't sure.

*These are some of the findings of an Ipsos poll conducted between November 14 and November 17, 2016, on behalf of RBC Insurance. For this survey, a sample of 1,002 Canadians aged 55 and over, with a household income of \$100,000 or more, from Ipsos' online panel was interviewed online. Weighting was*

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*then employed to balance demographics to ensure that the sample's composition reflects that of the population of Canadians aged 55 and over, with a household income of \$100,000 or more according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within +/- 3.5 percentage points, 19 times out of 20, had all Canadians aged 55 and over, with a household income of \$100,000 or more been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.*

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