

IG Target Education Portfolios

You focus on your children's firsts;
we'll focus on investing for
their education





Post-secondary education can be expensive, and many parents may be too busy to manage investing for their child's future education.

You focus on your children's firsts; we'll focus on investing for their education

When you have a child there are so many "firsts": first step, first words, first time driving a car. Eventually, they may start first year, buy their first textbook and get their first meal plan.

IG Target Education Portfolios can make saving for post-secondary education easier and less stressful, so you can focus on your child's more immediate firsts.

They are a suite of professionally managed and diversified portfolio solutions for RESP accounts that are managed by BlackRock, the world's largest asset manager.

Their asset mix automatically evolves based on the timeline you choose, and they are constantly monitored and actively managed through different market conditions.

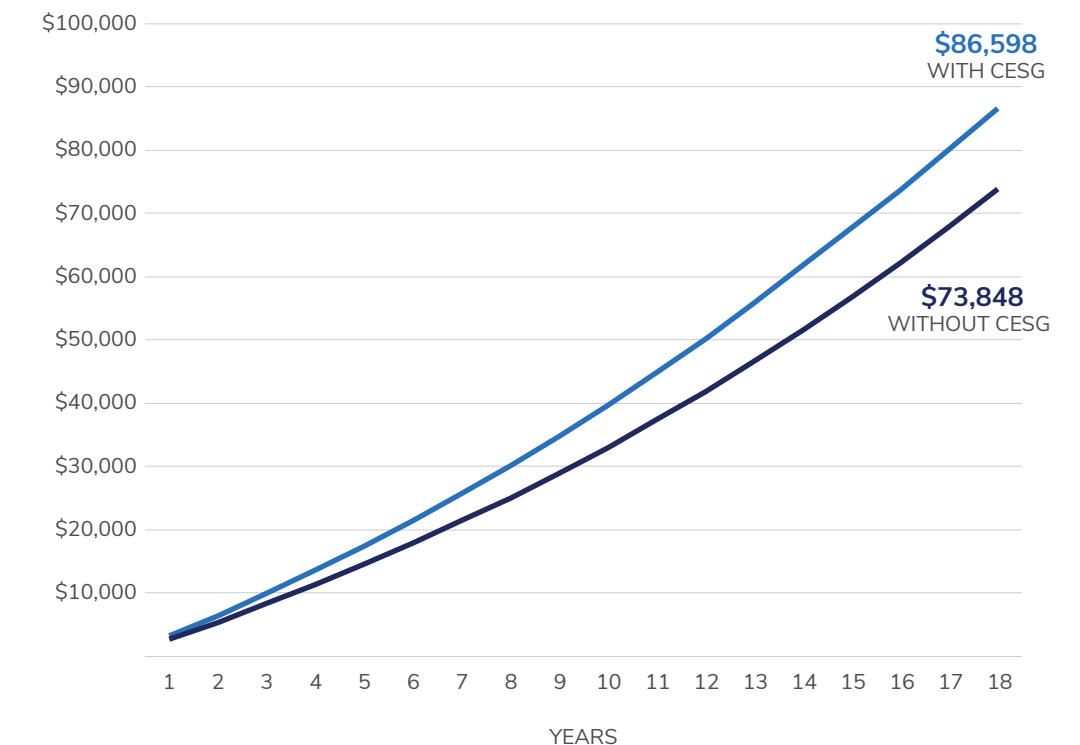
The RESP

To help Canadians grow education savings for their children (and grandchildren), the federal government launched the Registered Education Savings Plan (RESP). RESPs can help grow your children’s education savings much faster, thanks to tax-deferred growth and government grants.

RESPs offer the following advantages:

- **Government grants:** the Canadian Education Savings Grant (CESG) will match 20% of your annual contributions, up to a maximum of an additional \$500 per year and \$7,200 in total for each plan.*
- **Tax efficiency:** all education investing growth — including from interest earned, capital gains and dividends — is tax-free until your child withdraws the money. Additionally, when your child withdraws money from their RESP to pay for post-secondary education costs, it will be taxed at their taxable rate. As students typically have little to no income, any withdrawals should have negligible to no tax consequences.
- **It covers more than just tuition:** RESP savings can be used for a variety of expenses related to your child’s education, including housing, textbooks, transportation and any other costs directly related to their education.
- **Flexibility:** if your child decides not to pursue a post-secondary education, you have options. You could transfer the RESP to another child, transfer up to \$50,000 to your RRSP or withdraw your contributions (minus any grants received), along with any growth they earned.
- **Adaptability:** you can choose how much and when to invest, up to a lifetime limit of \$50,000 per child. You can contribute for up to 31 years, and the plan can remain open for a maximum of 35 years.

Growth of \$2,500 annual contributions with and without a CESG grant (Total of \$45,000 over 18 years)



5% growth rate for 18 years. Annual contributions: with CESG \$3,000 for first 14 years, \$2,700 in year 15, and \$2,500 for the remaining three years to represent a maximum of \$7,200 in grants (additional \$500 for 14 years plus \$200 in year 15). Without CESG \$2,500 contributions per year. The rate of return of 5% is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the RESP or returns on investments held within the RESP.



* Provincial grants for RESPs are also available in select provinces.

The advantages of IG Target Education Portfolios

IG Target Education Portfolios are designed to make investing for your children's education easier and less stressful. They are a suite of diversified portfolio solutions that offer the following benefits:



01

The right asset mix at the right time

The asset mix automatically evolves, based on when your child is expected to begin their post-secondary education. For better growth potential to keep up with the rising costs of education, they hold more equities in the early years. Then, to help ensure you have what you need to start paying for post-secondary education, they shift to holding a larger percentage of more conservative assets to protect your money as your child's target education date approaches.

02

Global portfolio management expertise

The target date portfolios are managed by BlackRock, a leader in education investing. The BlackRock Team brings decades of experience in asset allocation and portfolio construction, along with access to the investment resources of the world's largest asset manager. The Graduation Portfolio, which is where you will withdraw from to pay for education expenses, is managed by Mackenzie Investments' award-winning fixed income team.

03

Actively managed with continuous oversight

The IG Target Education Portfolios are constantly monitored and actively managed to take advantage of opportunities and manage risk as market conditions change.

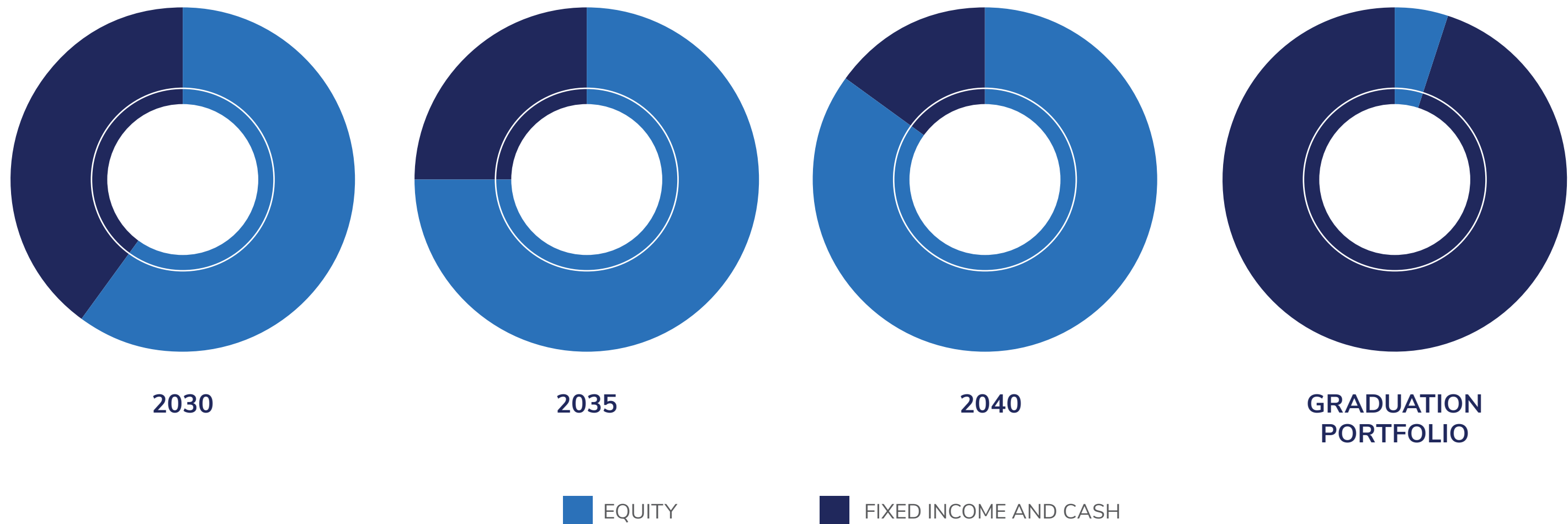
04

Extensive diversification

Each target education portfolio is a complete portfolio solution, diversified by geography, asset class and company size.

Solutions designed to fit into your curriculum

IG Target Education Portfolios are a suite of diversified target date portfolios tailored to when your child will be ready to start post-secondary education. Simply choose the one that best aligns with the date your child will need the money for their post-secondary studies. If your child's enrollment date is between the 5-year increments, your IG Consultant will work with you to create an investment plan that aligns with your individual circumstances. At their specified target dates, the portfolios switch to the Graduation Portfolio, which holds more secure investments to produce income and preserve capital. You'll then withdraw from this portfolio to pay for education expenses.

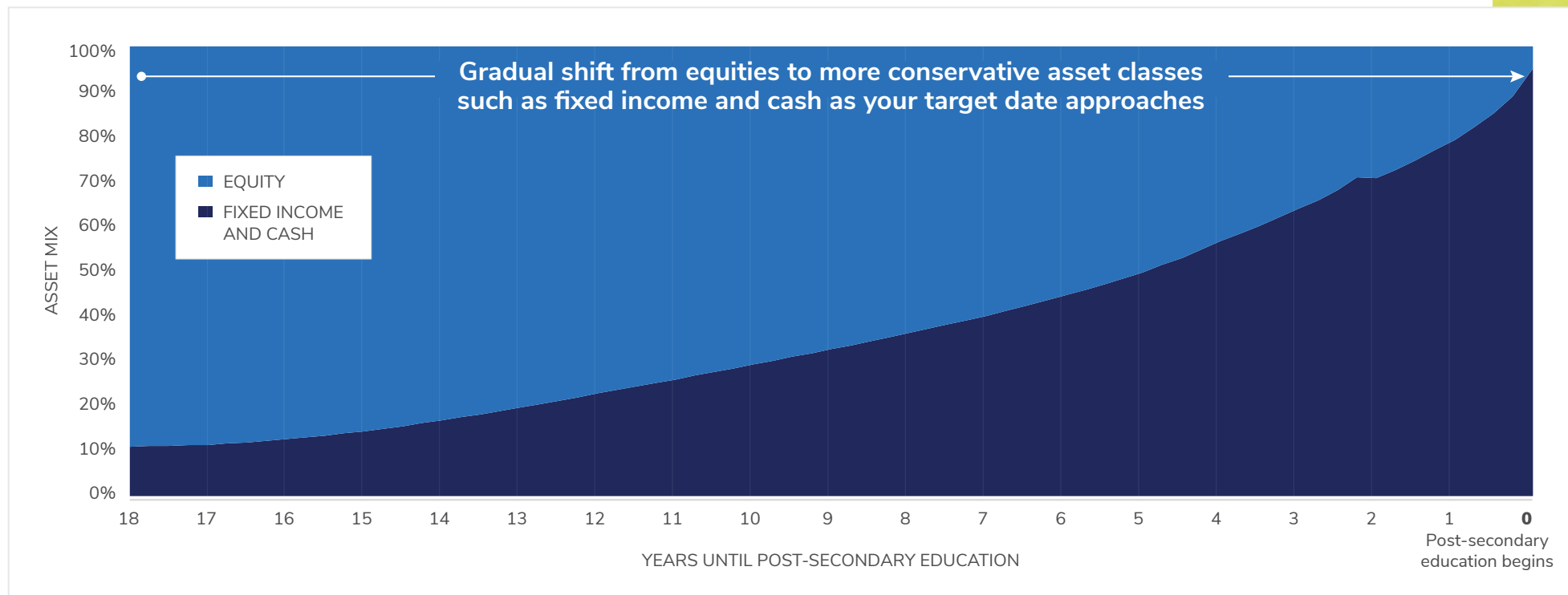


The asset allocations are representative of the portfolios as of their inception (January 2023). The mix of equity and fixed income will evolve over time as the portfolios approach the target enrolment date. The Graduation Portfolio managed by Mackenzie Investments will generally have a static asset allocation.

An asset mix that adapts to your timeline

The portfolios' asset mix automatically evolves to give you the right mix at the right time, based on when your child is expected to begin their post-secondary education. The diagram below illustrates how they hold a higher allocation of equities earlier in the time frame, and then gradually shift to hold more conservative asset classes, such as fixed income and cash, as the specified target education date approaches.

This helps ensure that when the time comes to start paying for post-secondary education costs, your money, and any gains you may have earned, are better protected by being less exposed to stock market volatility.





Your child's education savings will be managed by trusted and respected global investment managers.

The world's largest asset manager

BlackRock

BlackRock is a world leader in managing education plans.

In 2004 the firm launched its first post-secondary education-focused series, designing a glide path unique for families saving for their children's education expenses. IG Target Education Portfolios will draw on BlackRock's deep and extensive investment resources for portfolio construction, risk management and the pursuit of competitive returns.

Award-winning investment expertise



The Mackenzie Fixed Income Team is recognized within the investment industry for its high

level of expertise and performance. It sources the best ideas from global markets and develops innovative strategies that look beyond yield to maximize total return and reposition away from potential risk.



Your IG Consultant takes a holistic approach to financial planning. They seek to gain a thorough understanding of your personal investment goals, your investment time horizon and your comfort level with risk and volatility.

Contact your IG Consultant today to discuss how IG Target Education Portfolios can help you grow savings for your children's education and how they can fit within your overall financial plan.

[ig.ca](https://www.ig.ca) / [f](#) / [t](#) / [v](#) / [in](#)

BlackRock® is a registered trademark of BlackRock, Inc. and its affiliates ("BlackRock") and is used under license. BlackRock makes no representations or warranties regarding the advisability of investing in any product or service offered by IG Wealth Management. BlackRock has no obligation or liability in connection with the operation, marketing, trading or sale of any product or service offered by IG Wealth Management.

Written and published by IG Wealth Management as a general source of information only. Not intended as a solicitation to buy or sell specific investments, or to provide tax, legal or investment advice. Seek advice on your specific circumstances from an IG Consultant. Mutual funds and investment products and services are offered through Investors Group Financial Services Inc. (in Québec, a Financial Services firm). Additional investment products and brokerage services are offered through Investors Group Securities Inc. (in Québec, a firm in Financial Planning). Investors Group Securities Inc. is a member of the Canadian Investor Protection Fund. Commissions, fees and expenses may be associated with mutual fund investments. Read the prospectus before investing. Mutual funds are not guaranteed, values change frequently and past performance may not be repeated. Trademarks including IG Wealth Management and IG Private Wealth Management are owned by IGM Financial Inc. and licensed to subsidiary corporations.

© Investors Group Inc. 2023. INV2216MA_E (01/2023)