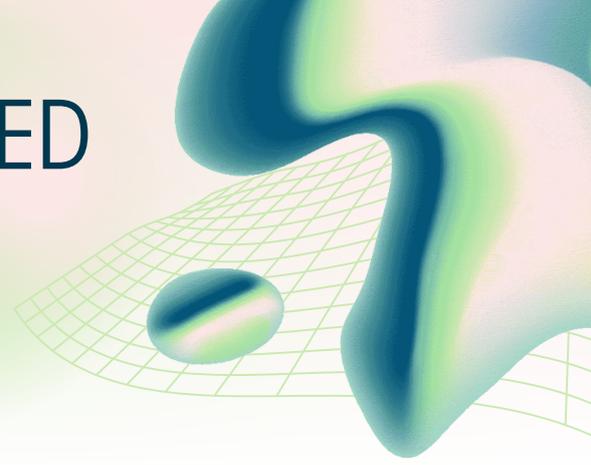


# NAVIGATING SEGREGATED FUND INVESTMENTS

A Step-by-Step Guide to Ethical and Socially Responsible Choices



## Investing in a Segregated Fund: A Step-by-Step Guide

When considering investing in a segregated fund through an insurance company, particularly one with a robust track record of ethical and socially responsible investing, it's important to understand both the process and the potential returns. Let's explore how you can get started by filling out a "Know Your Client" (KYC) form with an advisor and making an initial deposit, alongside regular contributions.

### Understanding Segregated Funds

Segregated funds are investment products offered by insurance companies that combine the growth potential of mutual funds with the security of insurance. They are similar to mutual funds but come with additional benefits, such as maturity guarantees and death benefits, making them a unique investment vehicle.

### Ethical and Socially Responsible Investing

The fund in question has demonstrated a remarkable 10-year track record of 14% returns, focusing on ethical and socially responsible investments. This means the fund invests in companies that prioritize environmental sustainability, social justice, and corporate governance, aligning with investors' ethical values.

### Step 1: Filling Out the 'Know Your Client' (KYC) Form

Before investing, you will need to meet with a financial advisor to fill out a KYC form. This form is crucial as it helps the advisor understand your financial goals, risk tolerance, investment knowledge, and personal circumstances.

#### Key Components of the KYC Form:

- **Personal Information:** Name, age, contact details, and financial dependents.
- **Investment Objectives:** Are you looking for growth, income, or capital preservation?

- **Risk Tolerance:** How comfortable are you with investment risk?
- **Financial Situation:** Current assets, liabilities, income, and expenses.

The advisor will use this information to tailor investment recommendations that best suit your financial goals and risk profile.

## Step 2: Making the Initial Deposit

Once your KYC form is completed and approved, you can proceed with your initial investment. In this scenario, you decide to deposit \$1,000 into the segregated fund.

## Step 3: Dollar Cost Averaging with Monthly Contributions

In addition to your initial deposit, you choose to adopt a dollar-cost averaging strategy by contributing \$20 each month. This approach involves investing a fixed amount regularly, regardless of market conditions, to help mitigate the impact of market volatility over time.

## Compounding Over 5 Years

Let's calculate how your investment could grow over five years, assuming the fund continues its historical performance of 14% annual returns.

### Initial Investment and Monthly Contributions:

- **Initial Deposit:** \$1,000
- **Monthly Contribution:** \$20
- **Contribution Period:** 5 years (60 months)

### Projected Growth:

Using the compound interest formula and assuming a consistent 14% annual return, your investment could grow as follows:

- **Year 1:** Your total investment at the end of the year, including contributions, could be approximately **\$1,282**.
- **Year 2:** Approximately **\$1,605**.
- **Year 3:** Approximately **\$1,971**.
- **Year 4:** Approximately **\$2,387**.
- **Year 5:** Approximately **\$2,862**.

**Note:** These values are approximate and assume consistent returns and contributions. Actual results can vary based on market conditions and fund performance.

## Conclusion

Investing in a segregated fund with a focus on ethical and socially responsible investments offers the potential for impressive returns while aligning with your values. By understanding

the process of filling out a KYC form, making an initial deposit, and utilizing a dollar-cost averaging strategy, you can effectively grow your investment over time. Always consult with a financial advisor to ensure your investment strategy aligns with your financial goals and risk tolerance.