

Video transcript

## What is a segregated fund?

What is a segregated fund contract and how does it work?

Segregated funds are similar to mutual funds, since they offer exposure to a wide variety of investment options like stocks and bonds. All under the watchful eye of a portfolio manager.

But unlike mutual funds, a segregated fund is an insurance contract which holds investments and is an estate planning tool all in one.

An important feature is that you can name a beneficiary on the contract. This means that should the worst happen, your assets in the segregated fund flow directly to your named beneficiary - bypassing the often-lengthy and costly probate and estate settlement process.

Segregated fund contracts also offer an annuity settlement option. If you have concerns about leaving a lump sum behind, you can leave instructions for your beneficiary to receive a monthly payment from the proceeds for a set amount of time or for their lifetime.

Segregated funds help preserve confidentiality, as payments made to beneficiaries of an insurance contract don't flow through the estate and tend to be a private matter.

Having an estate plan is important. Speak to your advisor about including segregated fund options in your portfolio.



© 2024 Manulife. The persons and situations depicted are fictional and their resemblance to anyone living or dead is purely coincidental. This media is for information purposes only and is not intended to provide specific financial, tax, legal, accounting or other advice and should not be relied upon in that regard. Many of the issues discussed will vary by province. Individuals should seek the advice of professionals to ensure that any action taken with respect to this information is appropriate to their specific situation. E & O E. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts as well as the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. 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. [Canadian privacy policy](#) [www.manulife.ca/accessibility](http://www.manulife.ca/accessibility)