



Mutual Funds

Invest with
confidence.

Diversify your
portfolio with
mutual funds.

Over one-third of Canadians own mutual funds. Why are they so popular? There are many reasons, of course, but the most important may be their ability to diversify your savings.



The basics:

What you need to know about mutual funds.

What's a mutual fund?

A mutual fund is simply a basket that holds a variety of assets – like stocks, bonds, real estate or other securities. When you purchase units of a mutual fund, you're buying a portion of that basket and what it holds, along with hundreds or thousands of like-minded investors.

Diversification

You know the expression, 'never put all your eggs in one basket'. Nowhere is this truer than in the world of investing. When the stock market is rising steadily, you may wish you had all your investments in equities. But the reality is that no asset class, whether it's stocks or bonds, will always chart an upward path. The good news is that when one asset class isn't doing so well, one of the others tends to step in with stable or positive performance, providing a smoother ride for the portfolio as a whole. This is the benefit of diversification.

Professional management

Most of us don't have the time or expertise to properly research companies or keep track of ups and downs in the financial markets. Buying mutual funds is an inexpensive way for investors to rely on an experienced money manager to monitor investments, markets and changes in the economy and make timely decisions on behalf of mutual fund unitholders.



FAQ

Questions and answers about mutual funds.

1 What types of funds are available?

There are dozens of fund types, covering the full spectrum of asset classes, geographic regions, risk profiles and investment styles. Your advisor can provide you with guidance on which funds may be best suited to your specific needs.

2 What are some of the most popular?

Money market funds usually have the lowest returns but they are also a convenient place to park your money because the funds are very accessible.

Fixed-income funds invest primarily in government or corporate debt (bonds). Returns are usually higher than money market funds or GICs, but they're a bit riskier – for instance, when interest rates go up, the value of fixed-income funds usually goes down.

Equity funds invest in a variety of stocks, from large-cap and blue chip companies that are in solid financial shape to startup companies with the potential for big gains (as well as losses).

Balanced funds are mutual funds that combine bonds and equities.

The type of fund that's right for you will depend on your appetite for risk and the length of time you plan on investing.

3 How much does a mutual fund cost?

Besides the value of mutual fund units when you purchase them, there are management as well as administrative fees, which can total between 0.25% to more than 2% of the mutual fund's value.

Please be sure to read the fund's prospectus before purchasing units.

4 Should I buy the mutual fund with the best past performance?

Mutual fund companies often advertise their funds' 1-, 3- or 5-year performance. While attractive past performance may suggest a great asset mix or capable fund managers, it doesn't tell the whole story.

Past performance in no way guarantees that a mutual fund will reproduce that performance in the future. It could fare worse or better or about the same. Also remember that fund performance is relative. If Fund A grew 25% last year but Fund B grew 50%, Fund A's returns won't seem as impressive. Then again, if Fund C's return was a seemingly dismal 1% but similar funds lost 10%, then C's returns will appear impressive.

Did you know?

88%

of mutual fund investors
continue to feel most
confident in reaching financial
goals through mutual funds
rather than other types of
investments.

Source: IFIC and Pollara Strategic Insights Survey 2021

Mutual fund assets
totalled more than
\$2 trillion
at the end of 2021.

Source: 2021 IFIC Investment Funds Report

iA Private Wealth offers tailored wealth management solutions through a network of more than 500 independent Investment Advisor teams. With over \$48 billion in assets under administration, we are the partner of choice for discerning investors across Canada.

INVESTED IN YOU.

[iapriatewealth.ca](https://www.iapriatewealth.ca)

Mutual funds are not guaranteed and information on returns is based on past performance which may not reflect future performance. Mutual funds may be associated with commissions, trailer fees, management fees and other expenses. Please read the prospectus. Important information regarding mutual funds may be found in the simplified prospectus. To obtain a copy, please contact your Investment Advisor. iA Private Wealth Inc. is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada. iA Private Wealth is a trademark and business name under which iA Private Wealth Inc. operates.