



# Now, even if markets are negative, you can keep your clients positive

## Introducing Guaranteed Market Indexed Accounts

Offer your clients a universal life investment option they'll feel positive about with the growth potential of a market index plus the security of a GIC. Now in Canada, exclusively through BMO® Insurance:

### Key Highlights

- Exposure to equity market performance, with the security of a GIC
- Net rates of return are guaranteed never to be negative
- Interest that's calculated and credited EVERY YEAR over the Investment Term
- \$5,000 minimum lump sum deposit on all new Life Dimensions policies (issued under version 2010/11/18)
- Flexibility to switch to a Fixed Interest Rate Option or other available GMIA's on Interest Crediting Dates without any penalty

### Here's how the GMIA works:

- At the beginning of each month, a new GMIA "Series" is made available for new deposits on a Life Dimensions policy
- Deposits into a GMIA will earn daily interest until the effective Series "Investment Date" (typically the beginning of the following month), after which time that specific Series is closed to additional deposits
- Deposits are made for an Investment Term of 10 years. Interest is calculated and credited every year on specified Interest Crediting Dates, using the pre-disclosed Interest Crediting Factors
- At the end of every 12 months during the Investment Term, the Interest Crediting Factors for the next 12 months are published on [bmoinvestpro.ca](http://bmoinvestpro.ca)
- At the end of the Investment Term, unless we receive other investment instructions, funds are automatically rolled over for a further Investment Term using the terms and conditions offered when funds are renewed

### Consider a GMIA which includes the following factors:

GMIA Interest Crediting Rate Factors*:	Minimum Net Rate of Return	0%	← The credited interest rate will never be negative
	Index Participation Rate:	60%	← The rate of return is based on 60% of the S&P/TSX 60 market index price return
	Index Cap Rate:	No Maximum	This is the minimum percentage increase in the value of the S&P/TSX 60 market price return that must be achieved for the Credited Interest Rate to be positive; otherwise the Credited Interest Rate is zero
	Hurdle Rate:	3%	←

In this example, if the price return for the S&P/TSX 60 for the year is 15%, the Credited Interest Rate will be:  $60\% \times (15\% - 3\%) = 7.2\%$

Keep the following dates in mind for the first Canadian Equity GMIA Series with an effective Investment Date of July 1, 2011:

June 1 - June 27, 2011:	New deposits must be received at our Head Office at least 4 business days before the start of the Series that begins July 1, 2011. Deposits into this series will be for a 10 year Investment Term. Deposits will earn the daily interest rate until July 1, 2011 (Series Investment Date)
July 1, 2011:	Series Investment Date: start of the 10 year Investment Term
July 1, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021:	Interest Crediting Dates: when interest is calculated and credited to the Fund Value. Any revision to the GMIA Interest Crediting Rate Factors for each year of the Investment Term will be pre-disclosed on <a href="http://bmoinvestpro.ca">bmoinvestpro.ca</a>
July 1, 2021:	Maturity Date: end of the Investment Term. Fund Value including interest will automatically be renewed for a new Investment Term subject to the new terms and conditions available at that time

Interest is calculated and credited annually on specified dates during the Investment Term up until and including the Maturity Date. Even if markets decline in a particular year, the net credited interest rate will never be negative.



# Now, even if markets are negative, you can keep your clients positive

## Introducing Guaranteed Market Indexed Accounts

### Does the GMIA make sense for your client?

Compare the new Canadian Equity GMIA to a regular equity-linked account and a GIA on a UL:

	GMIA	Market Indexed Account	GIA
<b>Reference Market Index</b>	S&P/TSX 60 Index	S&P/TSX 60 Index	N/A
<b>Downside risk</b>	The rate of return over the Investment Term is calculated and credited every year and is guaranteed never to be negative	If markets are down, the rate of return could be negative and reduce policy fund values	Limited to the guaranteed rate of return
<b>Upside potential</b>	Linked to the performance of the S&P/TSX 60 index price return; can have a maximum rate of return	Linked to the performance of the S&P/TSX 60 index total return; with no maximum rate of return limit	None, since rate of return is locked in for the term
<b>Volatility of Rates of Return</b>	Minimized by the guaranteed rate of return	Exposed to market swings- positive and negative	None

Visit [bmoinvestpro.ca](http://bmoinvestpro.ca) to run and print an illustration for your clients showing the potential returns of a GMIA, based on historical data for the past 5, 10, 15 or 20 years. Plus, compare the GMIA against a traditional Market Indexed Account and GIA.

The site also allows you to click through to a Fact Sheet for each GMIA Series to view Interest Crediting Rate Factors and actual credited rates. Print a copy for your clients which also includes other important terms and conditions for the Series.

## Contact your MGA or local BMO Insurance Business Development office to sign-up for the next workshop on the GMIA

*\*Subject to change, based on the Terms and Conditions for a specific Series.*

*Universal Life Indexed Accounts and Guaranteed Market Indexed Accounts are investment accounts that credit an interest amount mirroring the net rate of return of underlying investments, less a fee. BMO Life Assurance Company policyholders do not purchase units in any index or a legal interest in any security. Refer to a policy contract for the maximum UL fees charged on indexed accounts.*

*Information contained in this document is for illustrative purposes and is subject to change without notice.*

*Insurer: BMO Life Assurance Company*

® Registered trade-mark of Bank of Montreal, used under licence.

To find out more about BMO Insurance products, please call your MGA, contact the BMO Insurance regional sales office in your area, call 1-877-742-5244 or visit [www.bmoinsurance.com/advisor](http://www.bmoinsurance.com/advisor).

Ontario Region  
1-800-608-7303

Quebec – Atlantic Region  
1-866-217-0514

Western Region  
1-877-877-1272

