

BMO Guaranteed Investment Funds

CASE STUDY – Michelle

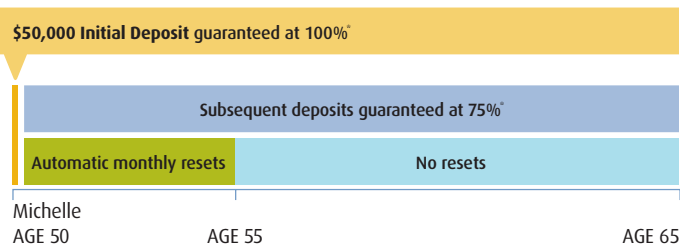


Michelle, age 50, has \$50,000 in maturing non-registered GIC funds. While these GICs presented no risk to her capital, they also only credited 1.8% annual interest. Michelle would like to retire at age 65, but lower yielding GICs would not allow her to reach her retirement savings goal. After consulting with Paul, her long-time advisor, Michelle decides to use the proceeds of her maturing GICs to purchase a BMO GIF policy with a Maturity Date coinciding with her age 65. Michelle splits her funds by investing \$25,000 in each of the Canadian and U.S. Balanced Growth Funds. Paul recommended the no-load sales option, which also provided Paul with a commission on the deposit.

Michelle likes the potential for higher returns with BMO GIF, allowing for significant Canadian and U.S. equity market participation with automatic monthly resets for the first 5 years (from Michelle's ages 50 to 55). Since the term Michelle selects is 15 years, 100% of her capital (reduced proportionately for any withdrawals) is also protected at her Maturity Date at age 65, or if she should die earlier.

Michelle feels very comfortable with the choice of a BMO GIF as her capital is protected, plus she is able to lock-in market gains at maturity for the first 5 years without having to do anything! In choosing the Death Guarantee Reset Option, she can also lock-in market gains for the benefit of her beneficiaries. Michelle also has full access to her funds at any time without any redemption fees (since she chose the no-load sales option).

At age 65, Michelle is hoping that interest rates will be closer to historical norms, at which time she plans to use the funds from her BMO GIF policy to supplement her retirement income. One option will be to purchase an income annuity, providing her with guaranteed, lifetime income.



*100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date.

BMO Guaranteed Investment Funds

CASE STUDY – Ian

Ian, age 70, recently retired from a long and rewarding career in the civil service. Ian participated in a defined benefit pension plan that now provides Ian with monthly income benefits. These monthly income benefits pay not only for Ian's basic expenses, but also for supplemental health care for both Ian and his wife Martha. Ian also has \$100,000 from his employer group savings plan that he voluntarily participated in.

Ian would like to provide a legacy for his 4 grandchildren and decided to purchase a BMO GIF policy with the \$100,000 proceeds of his employer group savings plan. Ian names his 4 grandchildren equally as beneficiaries. Ian chooses a term of 15 years to his age 85 allowing for his BMO GIF policy to benefit from 5 years of automatic monthly resets (from Ian's age 70 to 75). Ian also knows that the BMO GIF maturity and death guarantees will help to preserve his bequest to his grandchildren.

\$100,000 Initial Deposit guaranteed at 100%

Subsequent deposits guaranteed at 75%

Automatic monthly resets

No resets

Ian
AGE 70 AGE 75 AGE 85

*100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date.

A BMO GIF segregated fund policy on Ian's death also allows his estate to bypass probate. This will allow Ian's bequest to his grandchildren to be executed in a matter of weeks versus the months it could take if the bequest went through his estate. A BMO GIF policy also maximizes the bequest to his grandchildren by avoiding probate and executor fees, as well as possibly legal and accounting fees.

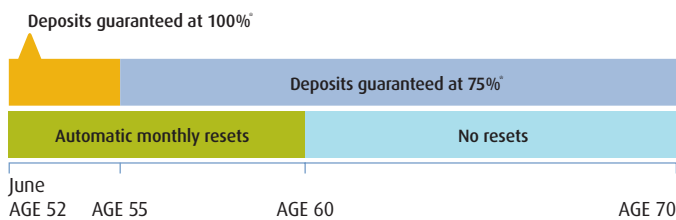


BMO Guaranteed Investment Funds

CASE STUDY – June



June, age 52, is a successful business owner in real estate. Her business has over the last 15 years purchased several under performing rental properties with low occupancy rates. With the investment of capital improvements and long hours, June has successfully turned around these properties. June's two sons now work for her business and she would like to give her sons the opportunity to take over when she retires at age 70. June wants to develop a succession plan, knowing also that as she gets older she is more prone to sickness or injury.



*100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date.

June, on the recommendation of her advisor, Marisa, purchases a BMO GIF policy with a term of 18 years. Her policy would provide automatic monthly resets for the first 8 years, helping to protect investment gains in rising markets.

In addition to supplementing June's retirement income, these funds could help her sons take over and perhaps even expand her business in the event of her death. Marisa points out that a BMO GIF policy has a death benefit guarantee with up to 100% of the capital invested. What's more, by choosing the Death Guarantee Reset Option, June can also lock-in market gains for the benefit of her sons as beneficiaries. While June's sons collect their bequests, they have the option of using the money to keep the business running smoothly while they take over or start looking for a buyer.

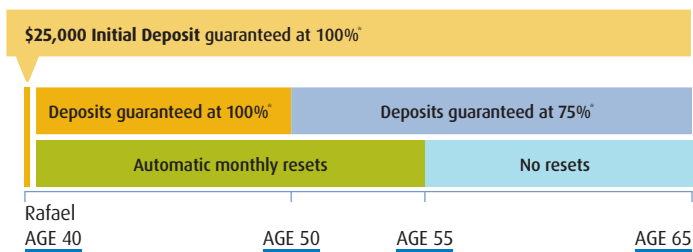
Last year, June was also subject to a lawsuit. The main water line to one of her rental properties broke, causing much damage to a neighbouring property. While the lawsuit was amicably resolved, June now is acutely aware of the potential risk to her personal finances either from unforeseen events or during other business downturns. In the event of a lawsuit or bankruptcy, creditors could come after June's personal assets. A BMO GIF policy in June's name can provide June with creditor protection, helping to shield her personal assets from seizure.

Lastly, a BMO GIF policy can provide June and her business with emergency funds. She likes that she can access her BMO GIF funds at any time and that when the policy matures at her age 70, she is guaranteed to get at least the money she put in (proportionately reduced by any withdrawals). The BMO GIF policy's combination of a succession planning tool, creditor protection, emergency funds all backed with maturity and death guarantees lets June sleep-better-at-night, while allowing her to concentrate on running her business.

BMO Guaranteed Investment Funds

CASE STUDY – Rafael

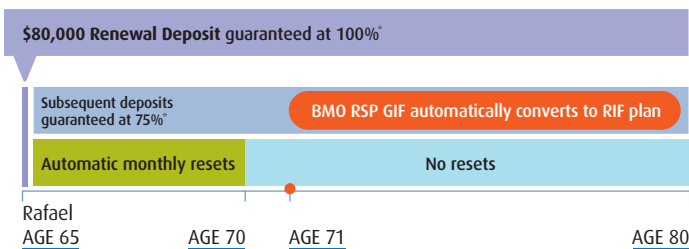
Rafael, age 40, is an information technology specialist with a large Canadian manufacturing company. Given Rafael is young, the Maturity Benefit is most important to him. He purchases with \$25,000 of registered funds a BMO GIF policy with the maximum term of 25 years (Maturity Date at his age 65). This term maximizes the monthly maturity guarantee reset benefit for 15 years (up to 10 years before the Maturity Date). Rafael can also make Subsequent Deposits for 10 years at a 100% maturity guarantee level.



*100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date.

Any deposits Rafael makes before age 75 would also be at the 100% death guarantee level.

At age 65, Rafael decides to retire. Initially he feels comfortable that the proceeds from his company's defined contribution plan along with government plans such as CPP will provide adequate retirement income. Rafael though has plans when he reaches his 70's to travel more broadly and for longer periods of time. With this in mind, and now as a retiree, Rafael decides to renew his BMO GIF policy for a minimum term of 15 years with his previous term's Maturity Benefit of \$80,000 (which grew from the original Initial Deposit of \$25,000 made 25 years ago due to market gains and resets).



*100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date.

Rafael knows he still benefits from 5 years of monthly maturity guarantee resets from his ages 65 to 70, and that at age 71 his BMO GIF policy will automatically and seamlessly transition to a RIF plan providing Rafael with minimum RIF payments that will supplement the retirement income he needs to enjoy his anticipated travel plans. Rafael has also helped to protect his extended family members as beneficiaries of his GIF policy with a 100% death guarantee on his Renewal Deposit (since it was made before age 75).