





















# Key Markets & Case Studies

Today's pre-retirees and retirees are becoming more cautious and conservative investors. With today's unprecedented low interest rates, it has become a challenge for many investors to meet their retirement income needs without taking on more risk to get higher potential investment returns. Furthermore, the volatility of stock markets in recent years has made investors even more sensitive to risk when it comes to their hard-earned retirement savings. BMO Guaranteed Investment Funds is the solution your clients have been looking for.

Ideal Customer	The BMO GIF Advantage
<p><b>Pre-retirement/Wealth Accumulation</b></p> <p>An attractive solution for 40 to 55 year old pre-retirees who are willing to take on some risk to get lower fees and higher potential returns, but want some downside market protection.</p> <p>Downside Protection  Fees  Equity Content  Potential Returns </p>	<p>Solution: GIF 75/75 </p> <ul style="list-style-type: none"> <li>• Lowest fees</li> <li>• More investment fund choice with greater equity content available</li> <li>• Invests in BMO ETFs and ETF Portfolios managed by BMO Asset Management</li> <li>• No less than 75% of investments paid to beneficiary in event of death</li> <li>• Popular no-load sales charge option</li> </ul>
<p><b>Professionals/Business Owners</b></p> <p>Entrepreneurs looking for creditor protection and lower fees, while building funds that are fully accessible in case of emergencies or to assist in succession planning.</p> <p>Creditor Protection  Fees  Equity Content  Potential Returns </p>	<p>Solution: GIF 75/75 </p> <ul style="list-style-type: none"> <li>• Lowest fees</li> <li>• Creditor protection to protect personal assets from business liability<sup>§</sup></li> <li>• No less than 75% of investments paid to beneficiary in event of death</li> <li>• More investment fund choice with greater equity content available</li> <li>• Invests in BMO ETFs and ETF Portfolios managed by BMO Asset Management</li> <li>• Popular no-load sales charge option</li> </ul>
<p><b>Retirement/Estate Preservation and Wealth Transfer</b></p> <p>Retirees and seniors age 65 to 90 looking for higher potential returns while preserving estate values and wanting to transfer assets to heirs in a timely, private and cost-effective manner.</p> <p>Estate Value Protection  Cost-effective Wealth Transfer  Equity Content  Potential Returns </p>	<p>Solution: GIF 75/100 </p> <ul style="list-style-type: none"> <li>• Lower fees leaving more to accumulate wealth</li> <li>• Estate protection: Up to 100% of investments paid to beneficiary in event of death<sup>**</sup></li> <li>• Automatic triennial death guarantee resets to build legacy value<sup>††</sup></li> <li>• No probate, executor or legal/administration fees maximizes wealth transfer</li> <li>• More fund choice with greater equity content available</li> <li>• Invests in BMO ETFs and ETF Portfolios managed by BMO Asset Management</li> <li>• Popular no-load sales charge option</li> </ul>
<p><b>Pre-retirement/Protected Wealth Accumulation</b></p> <p>An attractive solution for 50 to 65 year old pre-retirees who are looking for higher potential returns while protecting their investment as they get closer to retirement.</p> <p>Capital Protection  Estate Value Protection  Resets  Potential Returns </p>	<p>Solution: GIF 100/100 </p> <ul style="list-style-type: none"> <li>• Highest level of guarantees:                         <ul style="list-style-type: none"> <li>» Capital protection: Up to 100% of investments returned in as few as 15 years<sup>*</sup></li> <li>» Estate protection: Up to 100% of investments paid to beneficiary in event of death<sup>**</sup></li> </ul> </li> <li>• Automatic monthly maturity guarantee resets<sup>†</sup> (automatically locks-in market gains)</li> <li>• Option for automatic triennial death guarantee resets<sup>††</sup></li> <li>• Balanced funds for reduced volatility, designed by BMO Asset Management</li> <li>• Popular no-load sales charge option</li> <li>• Prestige Class pricing for high net worth clients</li> </ul>

<sup>\*</sup> 100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date. <sup>\*\*</sup> 100% on deposits made before the Annuitant is age 80 and 75% on deposits made on or after age 80. <sup>†</sup> Automatic monthly resets of the Maturity Guarantee Amount occur up to and including 10 years from the Maturity Date. <sup>††</sup> Automatic resets of the Death Guarantee Amount occur every 3rd policy anniversary up to and including the last policy anniversary before the Annuitant's 80<sup>th</sup> birthday. <sup>‡</sup> Additional fee applies. <sup>§</sup> Creditor Protection rules depend on legislation and vary by province. It cannot be guaranteed. Your clients should consult a legal advisor for their specific situation.



## Case Study: Pre-retirement/ Wealth Accumulation

**Solution: GIF 75/75**



Colin, 45, is a single parent with an 8 year old daughter Celeste. Being a long term investor, Colin isn't overly concerned with daily equity market fluctuations. He wants low fees to maximize his retirement savings without the work and worry of managing his investments. Colin is though uneasy at the prospect of premature death at a time when markets may be significantly down. In such a scenario, providing for his daughter Celeste, particularly in her teenage years, is paramount to Colin.

The solution for Colin is a BMO GIF 75/75 policy. He can choose between 6 new BMO ETF Portfolio GIFs. Each is a simple all-in-one solution that combines a portfolio of diversified ETFs providing up to 100% domestic and international fixed income or equity exposure, with many options in between. Colin also likes the two new Low Volatility Canadian and U.S. Equity ETF GIFs, providing him with 100% equity exposure while not experiencing the full swings of the general market ... a smoother investment journey.

A BMO GIF 75/75 policy with lower fees also allows Colin to keep more of his money invested to build a greater retirement nest egg. And he knows that the underlying funds in which BMO GIFs invest are professionally and actively managed by BMO Asset Management Inc. Most of all, he knows that his daughter Celeste will receive no less than 75% of his BMO GIF deposits (less any withdrawals) in the event of his death.



## Case Study: Professionals/ Business Owners

**Solution: GIF 75/75**



Violet, 46, and Ivanka, 44, have a partnership in a small business that provides information technology consulting services to start-up companies. They opened their business with a significant start-up loan which they have personally guaranteed. Although the business has been operating for 3 years and their client base is growing, they are also aware that many new businesses can take years to achieve sufficient scale to have revenues that comfortably and regularly exceed expenses. Although they anticipate a small profit for the first time in their 4th year, with their ongoing financial liability Violet and Ivanka are concerned about protecting their personal assets against creditors.

After reviewing their situation, Daniel, their advisor, recommends a BMO GIF segregated funds policy for each of Violet and Ivanka. Since creditor protection\* and not the guarantees is Violet's and Ivanka's primary concern, they selected GIF 75/75. This option allows them to save on fees. No less than 75% of deposits (less withdrawals) would be paid to their beneficiaries in the event of their death. This can help with business continuation and succession planning. Unlike GICs, a BMO GIF segregated funds policy is not locked-in, so GIFs can also provide a source of emergency funds to the partners while living and running their business.

\*Creditor protection rules depend on legislation and vary by province. It cannot be guaranteed. Your clients should consult a legal advisor for their specific situation.

## Case Study: Retirement/ Estate Preservation and Wealth Transfer



**Solution: GIF 75/100**

75  
100

Raymond, 66, and his second wife Marika, 65, have 2 children from Marika's previous marriage. Raymond also has two children from his first marriage, whom he wants to leave a legacy to ... in particular his first child, who has special needs due to an early illness that resulted in a partial but permanent disability. He wants to ensure that a larger amount left for the child with special needs does not cause resentment with his other child. Raymond also wants the transfer to his children to be directly to them outside of a will, minimizing the chance that Marika will contest the transfer of the legacy to his two children. Contesting the legacy could mean Raymond's estate would be tied up in probate for several years.

Adriana, Raymond's advisor, recommends that Raymond purchase two BMO GIF 75/100 policies. The first policy would receive a larger investment with the child with special needs named as beneficiary. The second policy would name Raymond's other child as beneficiary. Since the death benefit Raymond wants to leave his children is his main concern, a GIF 75/100 policy ensures that no less than 100%\* of his investments (less withdrawals) in each policy would be paid to his children on his death. Moreover, Raymond's death benefit for his children can grow by regularly locking-in market gains every 3 years.

By purchasing BMO GIF segregated fund policies and naming his two children as beneficiaries, Raymond can pass amounts payable under each policy directly to his children outside of the estate and probate process. This means his children will receive the death proceeds usually within a few weeks after notification of Raymond's death. By avoiding probate, Raymond also maximizes his legacy to his two children by saving probate and other associated fees, such as executor, legal and accounting fees. These fees in aggregate can amount up to 10% or even more of the assets transferred from an estate under a will. But most importantly, knowing that once a will is probated it generally becomes a publicly available document, avoiding probate means that Raymond can privately leave funds to his children with certainty.

\*100% on deposits made before the Annuitant is age 80 and 75% on deposits made on or after age 80.

## Case Study: Pre-retirement/ Protected Wealth Accumulation



**Solution: GIF 100/100**

100  
100




Ryan, 50, married to Samantha, 52, has significant funds that have just matured in a 5 year GIC. He wants to retire at age 65, but wants the greater growth potential of equity markets over the next 15 years plus have access to his funds in the event of an emergency. Ryan is though concerned about a downturn in equity markets just before he retires. Withdrawing amounts to provide retirement income would crystallize equity market losses. He also wants to leave Samantha with sufficient funds to maintain the lifestyle that she is accustomed to in the event of his premature death.

Ryan purchases a BMO GIF 100/100 policy on the recommendation of his advisor with a 15 year maturity period. A BMO GIF 100/100 policy provides the highest level of guarantees to Ryan at competitive fees. Ryan is guaranteed to receive no less than 100%\* of his deposits (less withdrawals) back at age 65. Moreover, for the first 5 years, market gains are automatically locked-in every month to potentially increase the maturity amount Ryan would receive at age 65. In the event of Ryan's death before age 65, Samantha, as beneficiary, is guaranteed to receive no less than 100% of the deposits Ryan made to purchase the GIF policy (less withdrawals). The balanced investment funds available under the GIF 100/100 policy are also designed and actively managed by BMO Asset Management Inc., one of Canada's leading investment managers.

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

# Key Benefits

## BMO GIF - Guarantee Options

	GIF 75/75  <b>NEW</b>	GIF 75/100  <b>NEW</b>	GIF 100/100 
Maturity Date	Age 100	Age 100	Client chosen: 15-25 years
Maturity Benefit	Maturity Benefit at Maturity Date is the greater of the Maturity Guarantee Amount and the Market Value of Contract.	Maturity Benefit at Maturity Date is the greater of the Maturity Guarantee Amount and the Market Value of Contract.	Maturity Benefit at Maturity Date is the greater of the Maturity Guarantee Amount and the Market Value of Contract.
Maturity Guarantee Amount	75% of deposits at Maturity Date	75% of deposits at Maturity Date	100% of deposits made at least 15 years and 75% of deposits made less than 15 years from the Maturity Date
Maturity Guarantee Resets	None	None	Automatic monthly until 10 years before Maturity Date
Death Benefit	Death Benefit at Death Benefit Date is the greater of the Death Guarantee Amount and the Market Value of the Contract.	Death Benefit at Death Benefit Date is the greater of the Death Guarantee Amount and the Market Value of the Contract.	Death Benefit at Death Benefit Date is the greater of the Death Guarantee Amount and the Market Value of the Contract.
Death Guarantee Amount	75% of deposits	100% of deposits made before age 80; 75% of deposits made on or after age 80	100% of deposits made before age <b>80 (New!)</b> ; 75% of deposits made on or after age <b>80</b>
Death Guarantee Resets	None	Every three years up to and including the last policy anniversary before the Annuitant's 80 <sup>th</sup> birthday ( <b>Standard feature</b> )	<b>Optional feature:</b> Every three years up to and including the last policy anniversary before the Annuitant's <b>80<sup>th</sup> birthday (New!)</b> (the Death Guarantee Reset Option must be selected at policy issue; additional fee applies)
Fund Options	9 New Fund Choices: <ul style="list-style-type: none"> <li>• 6 BMO ETF portfolios</li> <li>• BMO Low Volatility Canadian and U.S. Equity ETFs</li> <li>• Monthly Income <b>(New!)</b></li> </ul> Money Market	9 New Fund Choices: <ul style="list-style-type: none"> <li>• 6 BMO ETF portfolios</li> <li>• BMO Low Volatility Canadian and U.S. Equity ETFs</li> <li>• Monthly Income <b>(New!)</b></li> </ul> Money Market	7 Fund Choices: <ul style="list-style-type: none"> <li>• Canadian Balanced Growth</li> <li>• U.S. Balanced Growth</li> <li>• Canadian Income Strategy</li> <li>• North American Income Strategy</li> <li>• Conservative ETF Portfolio <b>(New!)</b></li> <li>• Balanced ETF Portfolio <b>(New!)</b></li> <li>• Monthly Income <b>(New!)</b></li> </ul> Money Market
MERS	2.02% – 2.58% <sup>†</sup>	2.17% – 2.98% <sup>†</sup>	2.95% - 3.18% <sup>††</sup>
Prestige Class	Not available	Not available	Prestige FEL <b>(New!)</b> , Prestige DSC <b>(New!)</b> , Prestige No-load To qualify, your client must hold at least \$250,000 in one or more BMO GIF contracts issued in their name <b>(New!)</b>
Transaction Processing	Daily	Daily	Daily <b>(New!)</b>

<sup>†</sup> MERS are estimates only based on the management fee, insurance fee, fixed administrative expenses (0.25%) plus applicable taxes.

<sup>††</sup> Based on estimates or actual MERS as of December 31, 2015; includes management fee, insurance fee, fixed administrative expenses (0.25%) plus applicable taxes.

### FOR ADVISOR USE ONLY.

Any amount that is allocated to a segregated fund is invested at the risk of the policy owner and may increase or decrease in value. BMO Life Assurance Company is the sole issuer and guarantor of the BMO GIF individual variable insurance contract. This document provides general information. Please consult the Policy Provisions and Information Folder for details of BMO GIF.

©Registered trade-mark of Bank of Montreal, used under licence. <sup>™</sup>Trade-mark of BMO Life Assurance Company.