

Are segregated funds right for you?

BMO Guaranteed Investment Funds are what is often referred to in the insurance industry as segregated funds. Segregated funds and mutual funds are in some ways alike, but in other ways different. These differences vary in importance depending on a number of factors, such as your risk tolerance and the purpose of the investment.

The key differences

A segregated fund policy can offer the same diversified investment opportunities as a mutual fund to help build wealth. In addition, segregated fund policies provide important wealth protection, business and estate planning solutions.

Guarantees on your principal

The money you invest is guaranteed up to 100%[†] upon maturity and death.

Locking-in market gains

Some segregated fund policies allow you to lock-in market gains ("resets") that can increase the amount payable upon maturity or death.

Bypass probate

Death benefit proceeds are paid directly to a named beneficiary instead of your estate – bypassing probate, a public process that can be both costly* and lengthy.

Creditor protection

By designating a qualified beneficiary, your investments may be exempt from seizure by creditors in the event of bankruptcy or legal proceedings.**

Segregated funds are well suited to:

- Pre-retirees looking for wealth accumulation but want to limit potential losses with maturity and death guarantees
- Pre-retirees and retirees looking to preserve their legacy and transfer their estate in the most private, timely and cost-effective way
- Business owners looking for creditor protected succession planning or emergency fund solution





Differences and similarities between Segregated Funds and Mutual Funds

	Mutual Funds	Segregated Funds
Is there a deposit guarantee?	No	Yes [†]
Preserve capital growth?	No	Yes [‡]
Higher potential returns than GICs?	Yes	Yes
Investment flexibility?	Yes	Yes
Investment diversification?	Yes	Yes
Brand-name fund investment options?	Yes	Yes
Capital growth potential?	Yes	Yes
Lower Fees?	Yes	No, usually higher fees to cover cost of guarantees
Potential creditor protection?	No	Yes, depending on set up circumstances
May avoid probate on Non-Registered assets	No	Yes, depending on set up
RSP eligible investment?	Yes	Yes

**Talk to your advisor today about BMO Guaranteed Investment Funds.
Protected options to help you worry less and live more.**



We're here to help.™

Any amount that is allocated to a segregated fund is invested at the risk of the policyowner 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.

* Probate costs can include probate and executor fees, as well as legal and accounting fees. Probate fees may not apply in Quebec.

** Creditor Protection rules depend on legislation and vary by province. It cannot be guaranteed. Please consult a legal advisor for your specific situation.

† Segregated fund products guarantee that at least 75% of the deposit (less a proportionate amount for any withdrawals) will be returned at the Maturity Date or death of the annuitant. BMO GIFs offer 100% or 75% deposit guarantee levels depending on the Guarantee Option selected. Refer to the BMO GIF Information Folder for more details.

‡ Certain segregated fund products may allow for automatic or client-initiated resets that lock-in capital growth at maturity or death of the annuitant. BMO GIF 100/100 Guarantee Option offers automatic monthly resets of the Maturity Guarantee Amount up to 10 years before the Maturity Date, and optional resets of the Death Guarantee Amount every 3 years until age 80. Refer to the BMO GIF Information Folder for more details.

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