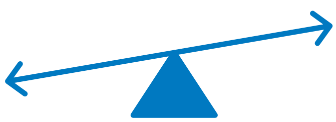
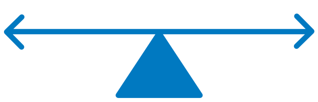
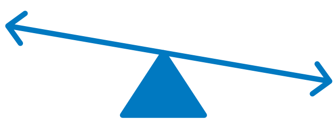
Estate Planning and Wealth Transfer Series

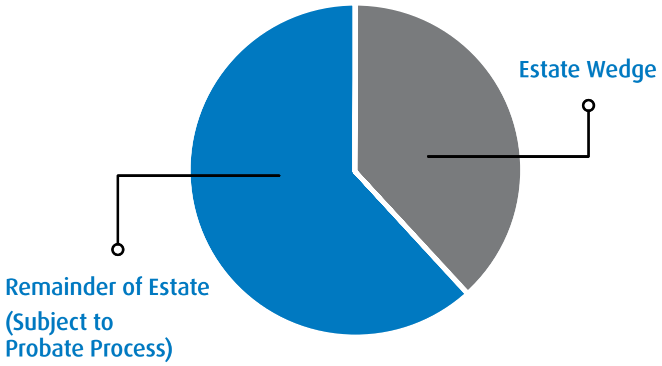
"Estate Wedge" – The Tipping Point

As you age, your financial objectives may shift. Initially, debt management and wealth creation may be top of mind. However, as you approach retirement (age 60-75), you'd like to see your debt reduced (or eliminated) and that you've accumulated sizeable investment assets to provide you with retirement income. It's at this stage that you may start to think about estate preservation and wealth transfer.

As you get even older (age 75+), these issues may become one of your primary focuses. So, if you're looking for higher potential returns, estate preservation and a way to transfer assets to your heirs upon death in a timely, private and cost-effective manner, consider an "Estate Wedge". This type of planning can be an essential part of your overall financial strategy.

The Tipping Point

		
Pre-retirees, professionals and business owners **Focus on:** • Debt management • Wealth creation	Recently retired clients (60-75) **Focus on:** • Retirement income • Wealth preservation **"Estate Wedge"** is introduced	Later stage retirees (75+) **Focus on:** • Wealth transfer (quick, private, cost effective)



An **Estate Wedge** is a portion of your non-registered investment portfolio (typically 20-50%) to hold outside of the estate. Assets in the Estate Wedge remain liquid and within your control.

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Steps to getting an "Estate Wedge" established in a tax-efficient manner:

Step 1. Work with your advisor to decide on an initial amount for your Estate Wedge (e.g. an allocation of $300,000 from your non-registered account with $100,000 going to each of three beneficiaries = $300,000 Estate Wedge).

Step 2. Gradually transfer assets into segregated funds. Preference should be given to:

- Existing assets close to your Adjusted Cost Base (ACB)
- Existing assets that are part of a regular year-end tax loss selling initiative (which can also offset and free-up assets with embedded gains)
- RRIF/LIF payments that you don't require for income needs
- A specified amount annually (and realize some tax consequences that won't bump you into a higher tax bracket)
- Consolidation of other outside assets (e.g. maturing GICs, high balances in savings accounts, home/cottage sale proceeds)

Why BMO GIF segregated funds for your Estate Wedge?

- Avoid probate[1]/estate administration process (distribution of assets is quick and private)
- Maximize wealth transfer (no probate,[1] executor, legal or other associated fees)
- Lock-in market gains/protection from drops (100% deposit guarantees[2] on death with automatic triennial death guarantee amount resets[3])
- Protection from creditors[4]
- Flexible payout options to beneficiaries: lump sum, installments (annuity settlement) or a combination of both
- High Net Worth pricing (Prestige) starting at $250,000
- Highly competitive and industry leading MERs from 1.95% (Prestige from 1.85%):
  - **GIF 75/100** (to age 80)
  - **GIF 75/100** Plus (to age 85)
- All portfolios managed by BMO Global Asset Management, with a global view of its investment strategies

Let's connect

For more information about BMO Insurance or our products, please consult with your insurance advisor or contact us at:

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Insurance advisor contact information:

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[1] The probate process and its fees may not apply in Quebec.

[2] GIF 75/100 and GIF 75/100 Plus: At Death, 100% on deposits made before the Annuitant is age 80 (age 85 for GIF 75/100 Plus) and 75% of deposits made on or after age 80 (age 85 for GIF 75/100 Plus), reduced proportionately for withdrawals.

[3] GIF 75/100 and GIF 75/100 Plus: Automatic resets of the Death Guarantee Amount occur every 3rd policy anniversary up to and including the last policy anniversary before the Annuitant's 80th birthday.

[4] Creditor protection rules vary by province and cannot be guaranteed.

Insurer: BMO Life Assurance Company.

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