

WHY SEGREGATED FUNDS

Peter A. Wouters
Director, Tax Retirement & Estate Planning

For advisor use only
Insurance & Investments
Simple. Fast. Easy.[®]

Canadians Want Investment Guarantees

2 | For advisor use only

HIGH RETURNS YOU CAN TRUST
Guaranteed Healthy Returns for your Hard Earned Cash

Company does not have real-time data and graphics images are for illustrative purposes only. © Canibusio offers healthy, long-term guaranteed returns in USD. No catch, no "fine print", just guaranteed returns. Our clients get great returns, instead of head-banging, for International clients outside the USA.


Invest your money for 12 months, at 15% APR in US Dollars

Invest your money for 6 months, at 12% APR in US Dollars

Invest your money for 6 months, at 12% APR in US Dollars

Invest your money for 12 months, at 15% APR in US Dollars

3 | For advisor use only Source: <http://elgambusino.com/contact/>

Are Guarantees Guaranteed? 

The Dark Side of 20% Annual Returns
Nov. 12, 2013 Motley Fool


First Tower: sub-prime lender that loans funds to borrowers needing small, short-term instalment loans at interest rates \leq 65% pa

A guaranteed return of over 17%
Aug. 24, 2018 MarketWatch

Mark Cuban explains how to make a 16% guaranteed return
Apr. 20, 2019 MarketWatch

1. 1995-2019 The Motley Fool. All rights reserved.
2. 3. MarketWatch, the MarketWatch logo, and BGCARTS are registered trademarks of MarketWatch Inc. Copyright © 2019 MarketWatch, Inc. All rights reserved.

4 | For advisor use only

 The Empire Life Insurance Company (EAL) - World famous investor guarantees 50% yearly returns


Peter Wouters < peter.wouters@empire.ca >

World famous investor guarantees 50% yearly returns
1 message

Taylor Mucklemann, Motley Fool Canada < tmoore@fool.ca >
Reply To: "Taylor Mucklemann, Motley Fool Canada" < tmoore@fool.ca >
To: peter.wouters@empire.ca

5 July 2019 at 07:56

Steady Yields for Over Time...



Source: How to make 12% annually... forever.
Forbes Jan. 12, 2017.

Jan 09 2017, 3:29PM EST. Powered by YCHARTS

Rising Markets and locking in Gains 



Segregated Fund advantage

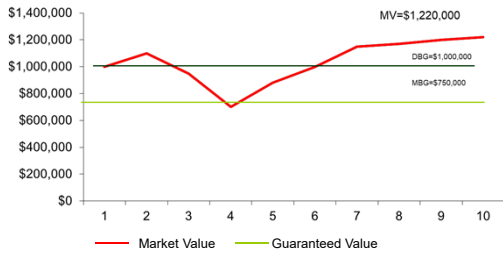
- Lock in gains for the purpose of Benefit Guarantee using resets
- Lock in gains without triggering capital gains
 - No transaction charges
 - Stay invested
 - Don't miss out via auto-pilot option...client and advisor

6 | For advisor use only

Guarantees: Up Market Scenario



Client invests \$1,000,000*



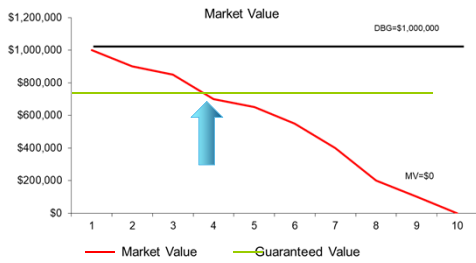
*All numbers are hypothetical and are used for illustration purposes only. Seg Fund contracts guarantee 75% - 100% of your premiums when the contract matures, or on your death. The maturity and death benefit guarantees are reduced for withdrawals.

7 | For advisor use only

Guarantees: Down Market Scenario



Client invests \$1,000,000*



*All numbers are hypothetical and are used for illustration purposes only. Seg Fund contracts guarantee 75% - 100% of your premiums when the contract matures, or on your death. The maturity and death benefit guarantees are reduced for withdrawals.

8 | For advisor use only



Empire Life Guaranteed Investment Funds Preferred Pricing

- Clients can build more wealth by consolidating assets at Empire Life
- Individual Guaranteed Investment Fund policies automatically linked
- Householding of family members policies available upon request
- Management Fee Credit automatically buys additional fund units

Annual Management Fee Credit Rate	Preferred Pricing Tiers
0.25%	\$500,000 - \$999,999
0.50%	\$1,000,000 +

Segregated Funds and Estate Planning

For non-registered investments:

- Probate avoidance
- May avoid estate settlement fees
- Transfer assets without delays
- Distribute assets with privacy
- Customize distribution



10 | For advisor use only

Creditor Protection: non-registered \$\$

- When certain qualifications are met, policies with segregated fund investment options may be protected from seizure by creditors
- Important feature for business owners or professionals who could be involved in bankruptcy or lawsuit



Note: If protection from creditors is a significant reason for purchasing a policy, independent legal advice should be obtained.

11 | For advisor use only

Creditor Protection: Example

Situation

- Frank - business owner
- Named his wife as beneficiary
- Business bankrupt
- Owed the bank

True or False?

The bank can seize everything, including the house, securities and the proceeds of the seg fund policy.

Answer: False

The bank may NOT seize the seg fund policy because Frank's wife was named beneficiary.



Note: If protection from creditors is a significant reason for purchasing a policy, independent legal advice should be obtained. Empire Life recommends you consult with a tax or legal advisors before investing.

12 | For advisor use only

Pulling It All Together



Non-Registered Seg Fund	
Deposit	\$500,000
Market Value upon death	\$430,000
Death benefit Top-up	\$ 70,000
Probate and estate fees	None
Amount to Beneficiaries	\$500,000

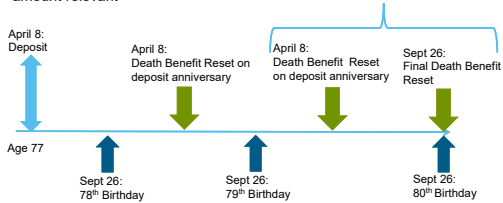
For illustration purposes only. Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value. Past performance is no guarantee of future performance. All returns are calculated after taking expenses, management and administration fees into account.

13 | For advisor use only

Automatic Death Benefit Guarantee Reset



- Death Benefit Guarantee resets automatically every year on policy date – Final reset takes place on annuitant's 80th birthday
- Locks in any market growth
- Addresses inflation and market risks - helps keep Death Benefit Guarantee amount relevant



For illustration purposes only.

14 | For advisor use only

Fees may be higher; Costs may be lower (Insurance-based investments)



- Simplify tracking and reporting for income taxes
- Eligible for Assuris protection
- Lock-in gains

Properly set up, insurance-based investments

- May bypass probate and offer privacy
- Go directly to named beneficiaries
- Offer creditor protection in certain circumstances



15 | For advisor use only

50% factor: Segregated Fund Ownership and Relationships



	Don't own segregated funds		Own segregated funds
Highly recommend advisor to someone else	20.9%	+ 50%	29.7%
Considering switching advisors	15.7%	+ 50%	10.6%

Source: Financial Comfort Zone Study, 2018

16 | For advisor use only



GUARANTEED WITHDRAWAL BENEFIT PLAN CLASS PLUS 3.0

A description of the key features of the individual variable insurance contract is contained in the information folder for the product being considered. Any amount that is allocated to a segregated fund is invested at the risk of the contract owner and may increase or decrease in value.

Insurance & Investments
Simple. Fast. Easy.[®]



Why Guaranteed Withdrawal Benefit?




- 6 in 10* pre-retirees want guaranteed income for life
- Get guaranteed retirement income for life with Class Plus 3.0 assuming no excess withdrawals



* LIMRA Secure Retirement Institute Ready, Set, Retire? Not So Fast! ... Revisited, 2014

18 | For advisor use only

Empire Life GIC: Lifetime Advantages



<p>Bank GIC:</p> <ul style="list-style-type: none"> No direct beneficiary Lump sum payouts May be public via probate 	<p>Insurance GIC:</p> <ul style="list-style-type: none"> Name a beneficiary Structured payouts Private
--	--

Bank GIC

↓

creditors

↓

Not pension credit eligible

Insurance GIC

↓


~~**Creditors ****~~

↓

Pension credit eligible

* Assuming the funds are held in a non-registered account. ** If named beneficiary. For advisor use only

Empire Life GIC: Estate Planning Advantage



<p>Bank GIC At Death:</p> <p>Assets in Probate</p> <ul style="list-style-type: none"> Fees Lengthy Public 	<p>Insurance GIC At Death:</p> <p>May bypass Probate**</p> <ul style="list-style-type: none"> No Fees May be quicker payout than bank Private
---	---

Bank GIC

↓

Estate

↓

Beneficiary

Insurance GIC

↓

~~**Estate**~~

↓

Beneficiary

* Assuming the funds are held in a non-registered account. ** If named beneficiary.

Why Segregated Funds?

- The vast majority of Canadians want guarantees
- They are willing to pay more to get them
- They value risk minimization and participating in growth opportunities



Insurance & Investments
Simple. Fast. Easy.






INVESTORS APPRECIATE TRANSPARENCY,
SIMPLICITY, QUALITY, PREDICTABILITY AND
PEACE OF MIND

They hope that their advisors do as well

Insurance & Investments
Simple. Fast. Easy.[®]



Important notes



Past performance is no guarantee of future performance.

This presentation reflects the views of Empire Life as of the dated presented. The information in this presentation is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on or misuse or omissions of the information contained in this presentation. Please seek professional advice before making any decision.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.**

©TM Registered trademark and trademark of The Empire Life Insurance Company.
Policies are issued by The Empire Life Insurance Company.

26 | For advisor use only
