



BMO Guaranteed Investment Funds (BMO GIF)
PN0091E
2020/08/21

Agenda

- Introduction
- Guarantee Options
 - o BMO GIF 100/100, 75/100, 75/75
 - Key Markets
- Key Features
- Case Studies





Target Market

Pre-Retirees

- 45-65 year old
- Seeking
 investment returns
 with capital
 preservation

Retirees

- Seeking growth higher than inflation
- Estate protection and simplification

Business Owners and Professionals

- Seeking tax efficient growth and diversification
- Wanting creditor protection* from business or professional liability



Estate Planning and Intergenerational Client

- Capital Preservation protection against market uncertainty and market volatility*
- Market "safety net" and ability to lock-in market gains
- Timely estate settlement Bypass complex, time-consuming, and expensive probate process**



^{*} Please refer to the BMO GIF Information Folder and Policy Provisions for full details.

^{**} Probate fees may not apply in Quebec.

Complex Family Dynamics

- Leave assets to children from a first or current marriage by directly naming beneficiaries
- Privacy in avoiding public process of probate
- Ease tax burden through charitable donations receive tax credit on the final tax return when a charity is named as a beneficiary



More flexibility with Annuity Settlement Option

Gives your client more choice on how to distribute the value of the Death Benefit:







Instalments



Combination of both



Guarantee Options







1. Up to 100% Maturity Benefit guarantee

If the market goes down, up to 100%* of client's investment is protected for the term they select.

2. Up to 100% Death Benefit guarantee

In the event of client's death when the market is down, named beneficiary is protected for up to 100%** of their investment.



^{*}At Maturity: 100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date, less a proportionate amount for withdrawals.

^{**} At Death: 100% on deposits made before the Annuitant is age 80 and 75% on deposits made on or after age 80, less a proportionate amount for withdrawals.



Plus... secure market gains on a regular basis!

Maturity Guarantee Resets:

BMO makes it easy for you to take advantage of rising markets by resetting your Maturity Guarantee Amount **automatically every month**[†]. No action is required by you or your client!

ETF-based balanced fund options managed by BMO Asset Management Inc.

Death Guarantee Resets:

Optional benefit[‡] that offers your clients the opportunity to increase the Death Guarantee amount by providing automatic resets every 3rd policy anniversary up to including the last policy anniversary before your client's 80th birthday.

BMO Brand: Issued by BMO Life Assurance Company, a member of the BMO Financial Group, one of Canada's premier financial institutions.

[‡]Must be selected at time of application. Additional fee applies.



[†]Automatic monthly resets of the Maturity Guarantee Amount occur up to and including 10 years from the Maturity Date.



Example of the Maturity Benefit and Monthly Maturity Guarantee Resets

Scenario 2: 40 year old with selected Maturity Date at age 65 and initial deposit of \$100,000



Client benefited from 15 Years of automatic resets & slept better at night!

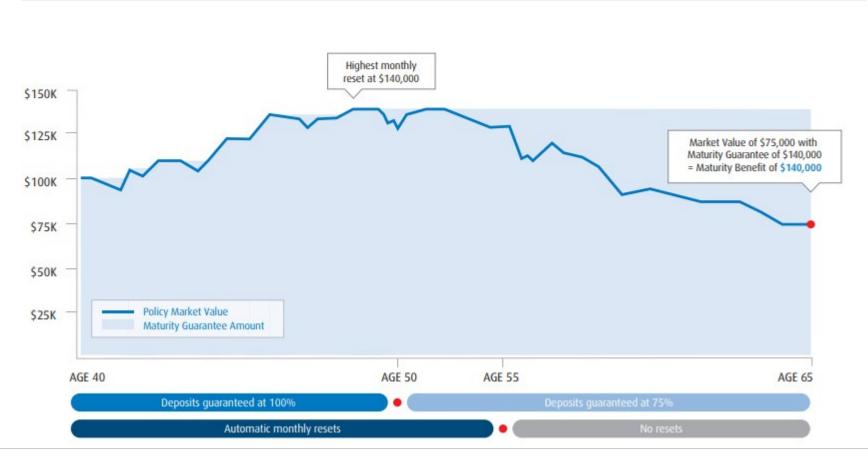


Down Market Scenario



Example of the Maturity Benefit and Monthly Maturity Guarantee Resets

Scenario 1: 40 year old with selected Maturity Date at age 65 and initial deposit of \$100,000



BMO Insurance makes a top-up payment of \$65,000!





Continues to offer unbeatable combination of guarantees:

- 100% maturity* and death** guarantees
- Automatic monthly resets of the maturity guarantee[†]
- Optional triennial resets of the death guarantee[‡]; plus
- 100% death guarantee and option triennial resets extended to deposits made up to age 80
- Prestige Class available on all sales charge options



[‡] Death Guarantee Reset Option must be selected at policy issue; additional fee applies.



^{*} At Maturity: 100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date, less a proportionate amount for withdrawals.

^{**} At Death: 100% on deposits made before the Annuitant is age 80 and 75% on deposits made on or after age 80, less a proportionate amount for withdrawals.

[†] Automatic monthly resets of the Maturity Guarantee Amount occur up to and including 10 years from the Maturity Date.





Offering you and your clients greater flexibility and choice:

- 75% maturity guarantee on deposits
- 75% death guarantee on deposits or
- 100% death guarantee* on deposits, with automatic triennial resets**
- Market leading low fees
- More investment choice with greater equity content up to 100%, managed by BMO Asset Management
- Popular no-load sales charge option





^{*} At Death: 100% on deposits made before the annuitant is age 80 and 75% of deposits made on or after age 80, less a proportionate amount for withdrawals.

^{**} Automatic resets of the Death Guarantee Amount occur every 3rd policy anniversary up to and including the last policy anniversary before age 80.

Guarantee Options – Key Benefits

	BMO GIF $\frac{75}{75}$	BMO GIF (75)		
Maturity Date	Age 100	Age 100		
Maturity Guarantee	75% of deposits at Maturity Date	75% of deposits at Maturity Date		
Maturity Guarantee Resets	None	None		
Death Guarantee	75% of deposits	100% of deposits before age 80; 75% on or after age 80		
Death Guarantee Resets	None	Every 3 rd policy anniversary up to and including the last policy anniversary before age 80 (standard feature)		
Prestige Class	Yes	Yes		





BMO GIF 75/100 100% death benefit guarantee on deposits made before age 80



GIF 75/100 Plus: A great solution for older clients seeking estate preservation or wealth transfer

BMO GIF 75/100 **PLUS**

100% death benefit guarantee on deposits made before age 85

- Available on Class A and Prestige
- Front-end load (FEL) with 0% deposit commission (regular trailer)
- Four ETF portfolios* and money market fund
- Also available on Class F (nominee only)



Guarantee Options: Key Markets



Ideal Customer

Pre-Retirement/Wealth Accumulation

45-55 pre-retirees; willing to take some risk for lower fees & higher potential returns but with some downside protection





is 🕠



Potential Returns



BMO GIF Advantage

BMO GIF 75/75

- Lowest fees
- More investment choice with up to 100% equity
- Invests in BMO ETFs and ETF Portfolios managed by BMO Asset Management
- At least 75% of investments paid to beneficiary on death (less withdrawals)
- Popular no-load sales charge option
- Prestige Class pricing for high net worth clients

Professionals/Business Owners

Entrepreneurs looking for creditor protection & lower fees, while building funds that are fully accessible for emergencies or to assist in succession planning













BMO GIF 75/75

- Lowest fees
- Creditor protection to protect personal assets from business liability*
- More investment choice with up to 100% equity
- Invests in BMO ETFs and ETF Portfolios managed by BMO Asset Management
- At least 75% of investments paid to beneficiary on death (less withdrawals)
- Popular no-load sales charge option
- Prestige Class pricing for high net worth clients



^{*} 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.

Guarantee Options: Key Markets





Ideal Customer

Retirement/Estate Preservation & Wealth Transfer

Retirees /seniors 65-90; looking for higher potential returns while preserving estate and transfer assets in a timely, private and cost-effective manner





Cost-effective Wealth Transfer



Equity (



Potential Returns



BMO GIF Advantage

BMO GIF 75/100

- Lower fees
- More investment choice with up to 100% equity
- Estate protection and growth: up to 100% of investments paid on death (less withdrawals)**
 with automatic triennial resets††
- No probate, executor or legal/administrative fees maximizes wealth transfer
- Prestige Class pricing for high net worth clients

Pre-retirement/Protected Wealth Accumulation

An attractive solution for 55 to 65 year old preretirees who are looking for higher potential returns while protecting their investment as they get closer to retirement





Estate Value (Protection









BMO GIF 100/100

- Highest level of capital guarantees:
 - Capital protection: Up to 100% of investments returned in as few as 15 years*
 - Estate protection: Up to 100% of investment paid to beneficiary on death**
- Automatic monthly maturity guarantee resets†
- Option for triennial death guarantee resets^{††}
- Prestige Class pricing for high net worth clients



^{*} At Maturity: 100% on deposits made at least 15 years and 75% on deposits made less than 15 years from the Maturity Date, less a proportionate amount for withdrawals. † Automatic monthly resets of the Maturity Guarantee Amount occur up to and including 10 years from the Maturity Date. ** At death: 100% on deposits made before the Annuitant's is age 80 and 75% on deposits made on or after age 80. †† 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. Must be selected at time of application. Additional fee applies.

Prestige Class pricing: AUTOMATIC!

Average Expected Annual Savings in MER:

Total Savings*



18 bps

\$9,000



26 bps

\$13,000



40 bps

\$20,000





Bringing Together the Best of Both Worlds

Benefits of Segregated Funds

- Professional management with strategic / tactical asset mixes
- Maturity & Death Benefit
 Guarantees
- Potential creditor protection
- Avoid probate
- Quick, private and efficient intergenerational transfer
- Estate Planning Tool named beneficiaries

Benefits of ETFs

- Efficient access to markets and asset classes
- Instant diversification
- Transparent methodologies
- Actively Managed
- Liquidity

BMO

ETF

Portfolio

GIFs

Lower cost



BMO's "Five Lenses" Strategy



Lens 1

Asset Class

- Equities
- · Fixed Income

Key influences:

- · Economic outlook
- Policy
- · Business Cycle
- · Investment sentiment

Lens 2

Equity

- · Canada, U.S., International
- · Emerging Markets
- Sectors
- Alternatives

Key influences:

- · Economy
- Policy
- Valuation
- Behavioural

Lens 3

Fixed Income

- Duration
- Credit
- · Yield Curve
- Region
- Alternatives

Key influences:

- · Economy
- Policy
- · Rates and Inflation
- Credit

Lens 4

Currency

- Hedging
- · Currency overlay

Key influences:

- · GDP growth
- Policy
- · Commodity cycle

Lens 5

Factors

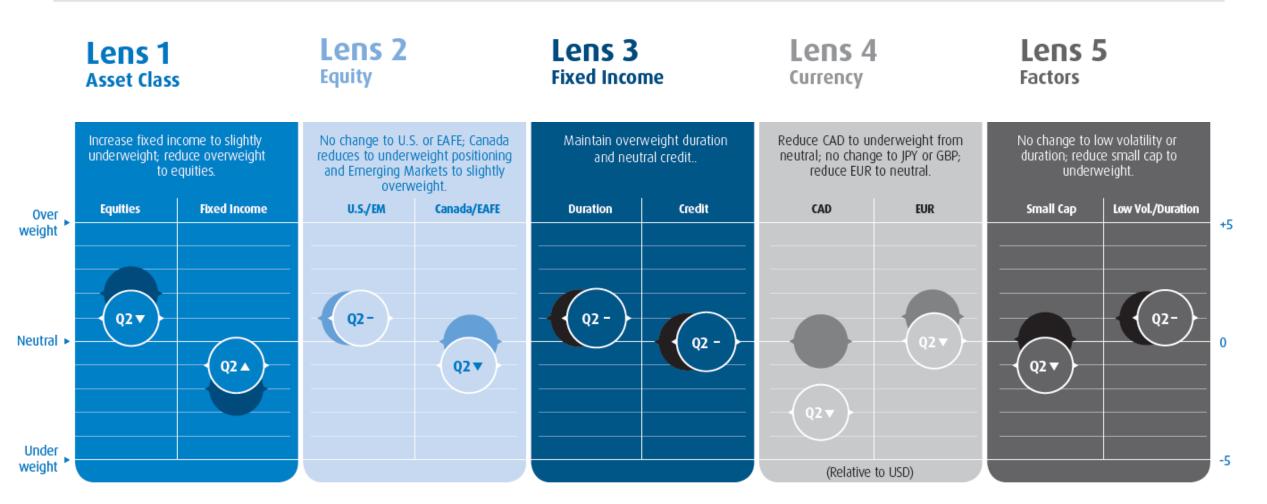
- Value, Growth, Momentum, Quality, Yield, Size, Volatility
- Carry

Key influences:

- · Relative value
- Relative strength
- Income
- Volatility



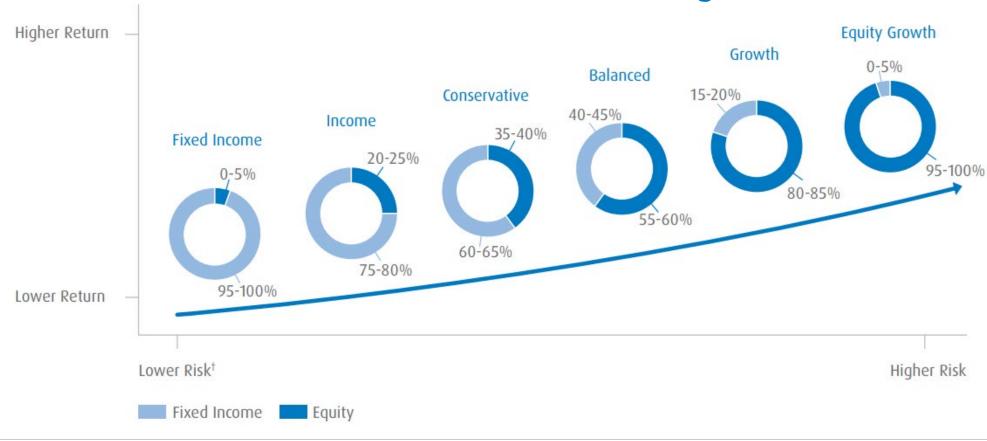
BMO's "Five Lenses" Strategy: Q2 2020 Strategy as of April 2020





BMO ETF Portfolio GIFs

All in one investment solution that allows investors to target a specific risk level based on their investment goals





BMO Fund Portfolio GIFs

Popular Mutual Funds

- BMO Monthly Income Fund
- BMO Canadian and North American Income strategies
- BMO Asset Allocation
- BMO Dividend Fund
- BMO Tactical Balanced
- BMO Monthly High Income II

... and others

Low Volatility Funds

- BMO Low Volatility Canadian Equity ETF
- BMO Low Volatility US Equity ETF
- BMO Low Volatility International Equity ETF Portfolio



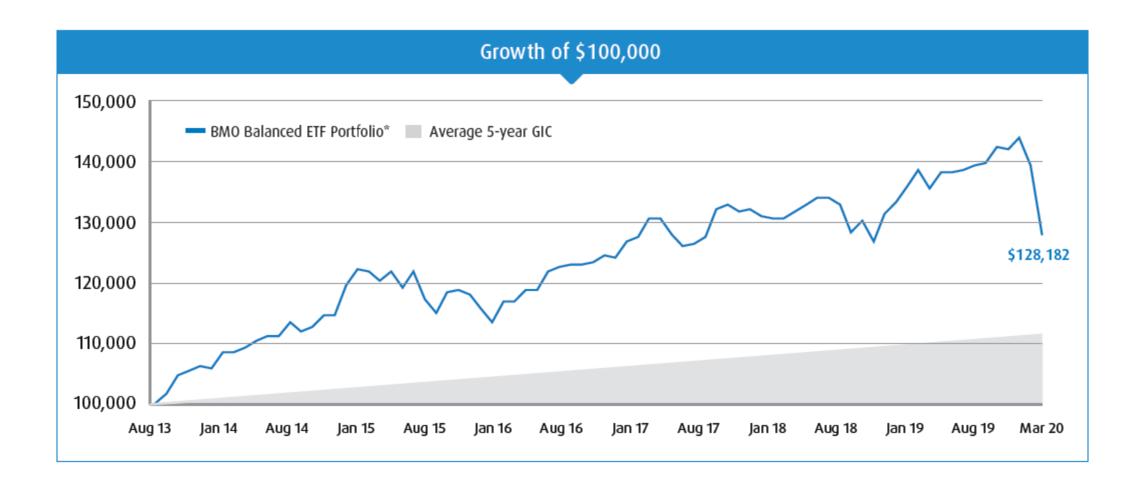
BMO ETF Portfolios: Alternative to GICs/Bonds

	BMO Balanced ETF Portfolio GIF 75/100 Class A	BMO Growth ETF Portfolio GIF 75/100 Class A
Inception	June 2016	June 2016
2017	5.4%	7.7%
2018	-3.8%	-4.9%
2019	12.0%	14.3%

Offers risk-adverse clients the opportunity to take advantage of market upswings!



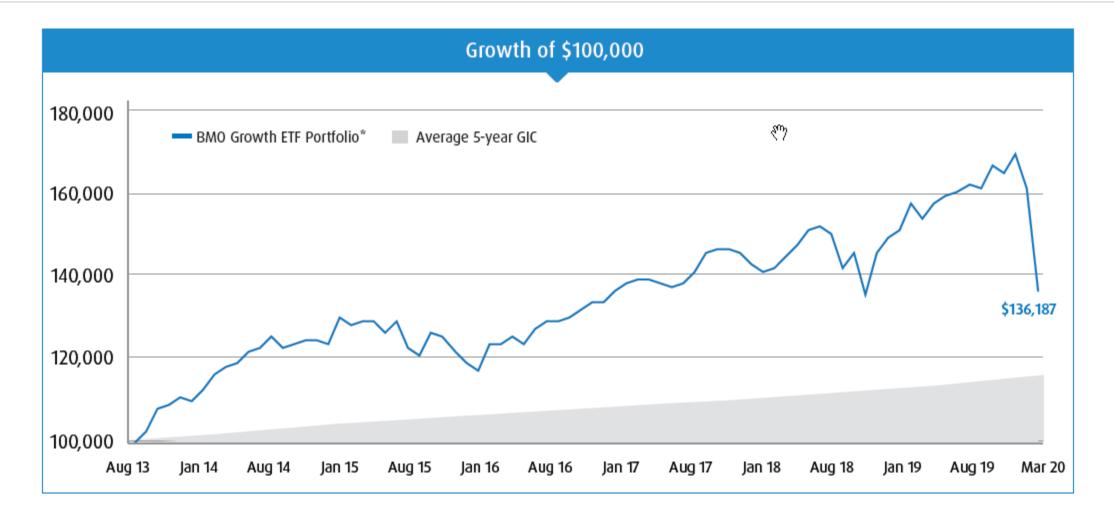
BMO Balanced ETF Portfolio vs Average 5-year GIC





^{*} Source: Morningstar Direct as at April 7, 2020. Past returns are not indicative of future performance. Estimated BMO GIF fund returns were calculated using the gross returns of BMO Balanced Series A mutual version and reducing the gross returns by the current MER for the BMO Balanced ETF Portfolio GIF 75/100.

BMO Growth ETF Portfolio vs Average 5-year GIC





^{*} Source: Morningstar Direct as at April 7, 2020. Past returns are not indicative of future performance. Estimated BMO GIF fund returns were calculated using the gross returns of BMO Growth ETF Portfolio Series A mutual version and reducing the gross returns by the current MER for the BMO Growth ETF Portfolio GIF 75/100.

Two more funds with global exposure

BMO Concentrated Global BALANCED GIF

- Focus on companies that will thrive today and in 20 years
- Mitigate risk through a careful selection of Canadian bonds
- Lock in gains and smooth returns by complementing equity growth with monthly cash flow
- Navigate turbulent markets through careful asset allocation

BMO Concentrated Global **EQUITY** GIF

- Focus on proven tack record of quality growth
- View investment on longer time horizon
- Avoid cyclical sectors like banks and energy
- Quality bias can provide meaningful downside protection



Management Expense Ratios (MERs)

BMO Concentrated Global **Balanced** GIF

	<u>Prestige class</u>	<u>ciass A</u>
BMO GIF 100/100	2.85%	3.25%
BMO GIF 75/100	2.60%	2.85%
BMO GIF 75/75	2.40%	2.60%

BMO Concentrated Global **Equity** GIF

	<u>Prestige Class</u>	Class A
BMO GIF 75/100	2.98%	3.29%
BMO GIF 75/75	2.78%	2.99%



^{*} Based estimates on as of February 19, 2020; includes management fee, insurance fee, fixed administrative expenses (0.25%) plus applicable taxes.

Options for No-Load Sales Charge

	Chargebacks	Commission		
Option 1: 24-months uniform pro-rata chargeback AL (3) applied on withdrawals		3.0% on deposit 1.0% trailer* in the 25 th month * 0.85% trailer for Prestige Class (100/100)		

Chargebacks

Option 2: NL (5)

5-years chargeback applied on withdrawals

Year 1	Year 1 Year 2		Year 4	Year 5	
100%	80%	60%	40%	20%	

Commission

5.0% on deposit

0.50% trailer** in the 25th month

1.0%*** trailer in the 73rd month

** 0.35% trailer for Prestige Class (100/100)
*** 0.85% trailer for Prestige Class (100/100)



"Free" withdrawals available for RRIF accounts

- Withdraw as much as 10% from their BMO GIF Plans without penalty or chargebacks (RRIF)
 - Available for new business on both No Load options*

PLUS ...

Withdraw as much as 10% from their BMO GIF Plans without penalty (DSC)

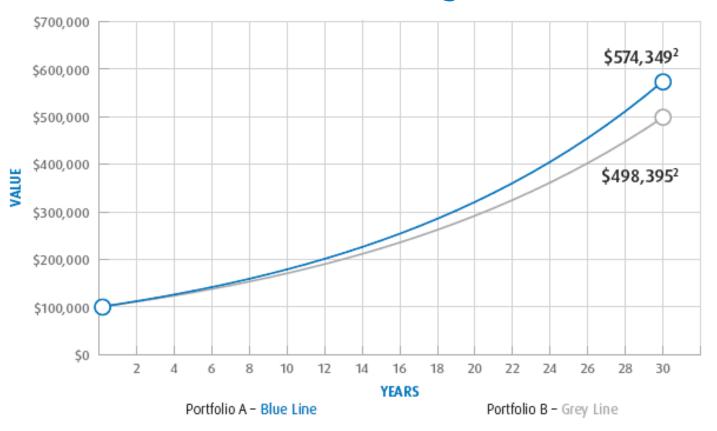






BMO GIF (... Paying Less Fees Adds Up

Over the long-term, paying lower fees can add up and help you reach your financial goals sooner!



² Assumptions:

- Two portfolios with an initial investment of \$100,000 each
- Portfolios are held for 30 years
- Annual rate of return is 6% with no distributions
- Portfolio A pays 0.50% less in fees each year



Gross Commissions

Class A







Front-End Load (FEL)		nd Load (FEL) Deferred (DSC)		No Load (3)		No Load (5)	
Deposit	Trailer	Deposit	Trailer	Deposit	Trailer	Deposit	Trailer
Up to 5.00%	1.00%	5.00%	0.50%	3.00%	1.00%	5.00%	0.50% [*] 1.00% ^{**}

Prestige Class





Front-End Load (FEL)		End Load (FEL) Deferred (D		No Load (3)		No Load (5)	
Deposit	Trailer	Deposit	Trailer	Deposit	Trailer	Deposit	Trailer
Up to 5.00%	1.00%	5.00%	0.50%	3.00%	1.00%*	5.00%	0.50% [*] 1.00% ^{**}

Prestige Class



Front-End Load (FEL)		Load (FEL) Deferred (DSC		No Load (3)		No Load (5)	
Deposit	Trailer	Deposit	Trailer	Deposit	Trailer	Deposit	Trailer
Up to 5.00%	0.85%	5.00%	0.35%	3.00%	0.85%*	5.00%	0.35% [*] 0.85% ^{**}



^{*} Starting in the 25th month ** Starting in the 73rd month

Case study:

 Pre-Retirement and Wealth Accumulation



Ryan (50): Has significant funds that just matured in a 5 year GIC



Profile

- Long term investor
- Not overly concerned with daily equity market fluctuations

Needs

- Lower fees to maximize his retirement savings
- Less work and worry on managing his investments
- To provide for daughter in event of early death



The BMO Solution: BMO GIF (%)



- Lowest fees
- BMO ETF Portfolio GIFs
 - Simple all-in-one solution
 - Combines a portfolio of diversified ETFs
 - 100% fixed income or equity with many options in between
- Low volatility Canadian and U.S. equity ETFs
 - 100% equity exposure with a smoother investment journey (beta <1)
- Daughter would receive no less than 75% of investments (less withdrawals) in event of death



Case study:

Professionals and Business
 Owners



Violet (46) and Ivanka (44)

- Partners in a small IT consulting services business
- Significant start-up loan personally guaranteed
- Client base growing
- Nominal losses in first 3 years
 - o anticipate profit in 4[™] year

Needs

- To protect personal assets against creditors
- Lower fees
- Access to capital for emergency needs and succession planning





The BMO Solution: BMO GIF

- Creditor protection*
- Lowest fees
- ETF Portfolio GIFs
- Low volatility Canadian and U.S. equity ETFs
- Funds actively managed by BMO Asset Management
- Segregated Funds not locked-in: access to capital for emergencies
- Beneficiaries would receive no less than 75% of investments (less withdrawals) in event of death to assist in business continuation and succession planning



BMO Insurance
We're here to help."

^{*} 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:

▼ Estate Preservation and Wealth Transfer



Raymond (52): Recently remarried to Melissa (48)

- Have 4 children (2 each from their first marriage)
- Raymond would like to leave a legacy to his own two children (particularly with the first child with partial but permanent disability
 - A wealth transfer directly to his children is also on Raymond's wish list outside of a will (to minimize any chance Melissa would contest legacy and potentially delay years)
 - The wealth transfer must be timely, cost-effective and private





The BMO Solution: BMO GIF

 No less than 100% of his investments (less withdrawals) would be paid on death to his children as beneficiaries

 Legacy (death benefit) to his children has potential to grow automatically by locking-in market gains every 3 years**



^{*} At Death: 100% on deposits made before the Annuitant's is age 80 and 75% on deposits made on or after age 80, less a proportionate amount for withdrawals.



^{**}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.

The BMO Solution: BMO GIF (75)

- Death proceeds paid to his children are outside of estate and probate process:
 - 1. **Timely:** Children will receive proceeds usually in a few weeks (versus months or years if will is contested)
 - 2. **Cost-effective:** Avoid probate, executor, legal/accounting fees (saves 10% or more to build legacy)
 - **3. Private:** Once a will is probated, it generally becomes a publicly available document
 - Avoiding probate means Raymond can privately transfer wealth to children with certainty





Case study:

 Pre-Retirement and Protected Wealth Accumulation



Ryan (50): Has significant funds that just matured in a 5 year GIC



- Married to Samantha (52)
- Would like to retire at age 65
- Looking for greater growth potential in the equity markets over the next 15 years
 - Wants downside protection, particularly just before retirement
 - Wants access to funds for emergency needs
 - Looking to provide for Samantha to maintain her lifestyle in event of death



The BMO Solution: BMO GIF ()



- Select 15 year maturity period to protect retirement funds available at age 65
- Balanced investment funds designed and actively managed by BMO Asset Management

The BMO Solution: BMO GIF (#)



- Highest level of guarantees:
 - Maturity: No less than 100%* of investments (less withdrawals) available as a maturity benefit at age 65
 - Maturity Reset: Opportunity to grow maturity benefit by automatically locking-in market gains monthly for first 5 years[†]
 - Death: Samantha, as beneficiary, is guaranteed to receive no less than 100%** of investments (less withdrawals) on Ryan's death before age 65
 - Death Reset: Optional opportunity to increase death benefit with automatic triennial resets of Death Guarantee amount ††

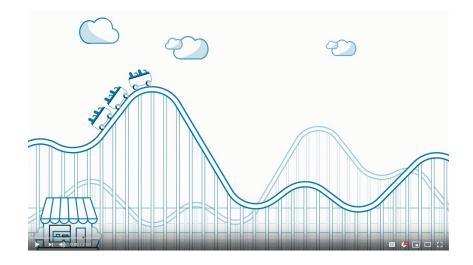


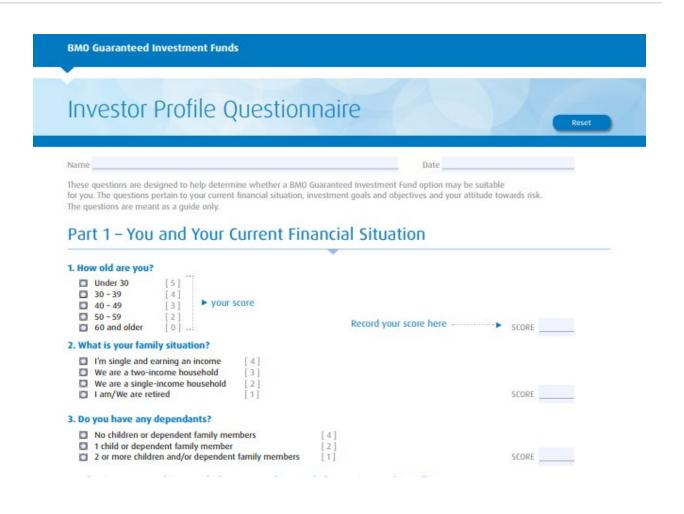
We're here to support you!



We have dedicated advisor support team across the country!

Visit bmoinsurance.com/advisor







Electronic transmission and delivery of documents



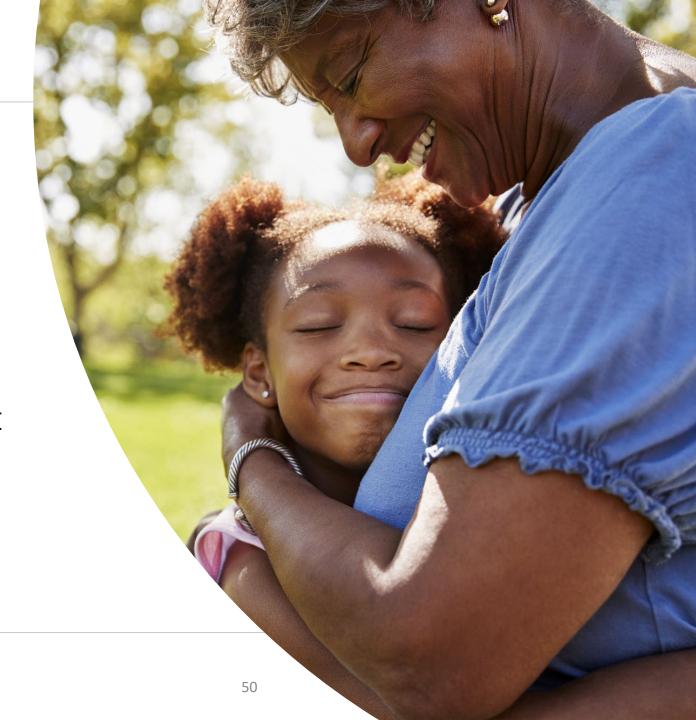
We continue to accept applications and supporting documents from Transport Layer Security (TLS) by e-mail (and by fax).





BMO GIFS

- 3 guarantee options designed to fit any investor profile
- Amongst the lowest fees in the industry means more for your clients
- BMO ETFs & ETFs Portfolios actively managed by BMO Asset Management
- Popular no-load sales charge option





Connect with me and I'll help you build the best solution for your clients!

Rose Nguyen

Business Development Manager, Segregated Funds (Western Canada)

604-219-528

Rose.Nguyen@bmo.com





Connect with me and I'll help you build the best solution for your clients!

lan Kerr

Senior Business Development Manager,
Segregated Funds (Ontario)
416-677-3452

<u>Ian.Kerr@bmo.com</u>





Connect with me and I'll help you build the best solution for your clients!

Caroline Yong

Business Development Manager,
Segregated Funds (Quebec and Atlantic)
438-869-3944

Caroline.Yong@bmo.com





Disclosure

FOR ADVISOR USE ONLY. NOT FOR PUBLIC DISTRIBUTION.

This presentation is for general educational purposes only and should not be considered as investment, legal, tax or accounting advice. All charts and illustrations in this presentation are for illustrative purposes only and do not reflect future values or future performance of any segregated funds. Comparisons are performed based on information from segregated fund plans believed to be reliable and in effect August 21, 2020. BMO Life Assurance is not liable for any errors or omissions in the information derived from third party sources. To the extent of any inconsistencies between this presentation and the then current BMO Guaranteed Investment Funds Information Folder and Policy, the terms of the Information Folder and Policy prevail. For full product details and disclosure, refer to the Information Folder and Policy.

BMO ETFs are managed and administered by BMO Asset Management Inc., an investment fund manager and portfolio manager and separate legal entity from Bank of Montreal. Exchange traded funds are not guaranteed, their values change frequently and past performance may not be repeated.

BMO Life Assurance Company is the sole issuer and guarantor of the BMO GIF individual variable insurance contract.Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

- ® Registered trade-mark of Bank of Montreal, used under licence.
- ™ Trade-mark of BMO Life Assurance Company.

