Manulife Financial

How the **Estate Bond®** Works

Your situation

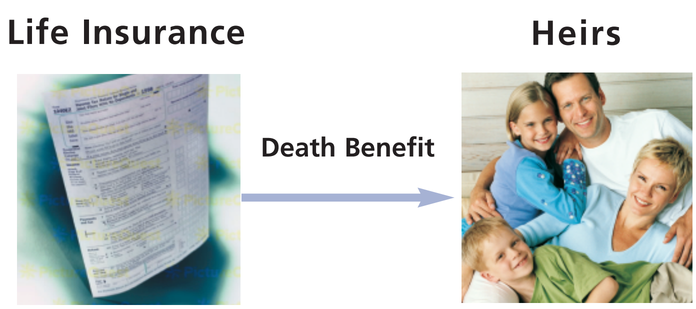
You have savings or extra income that you do not need for lifestyle purposes. You invest the cash in GICs or other taxable investments and earmark these investments for your heirs or favourite charity. You want a financial planning strategy that will increase the funds available when you die.

An option to consider - the Estate Bond®

This financial planning strategy requires you to use your surplus cash to purchase a life insurance policy. By replacing the taxable investments with a life insurance policy, you will increase the funds available to your heirs when you die and reduce the amount of tax you will pay today and in the future.

How does the Estate Bond® work?

You purchase a life insurance policy on your life and you name an heir or favourite charity as the beneficiary of the policy. Depositing more funds into the policy than you need to pay the policy charges creates cash value. This cash value accumulates on a tax-deferred basis, increasing the death benefit payable under the policy. When you die, your beneficiary receives the proceeds of the policy, tax free.



By taking advantage of the Estate Bond®, you have moved personal investment dollars from a tax-exposed environment to a tax-sheltered environment, increasing the amount you give to your heirs or favourite charity when you die.

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