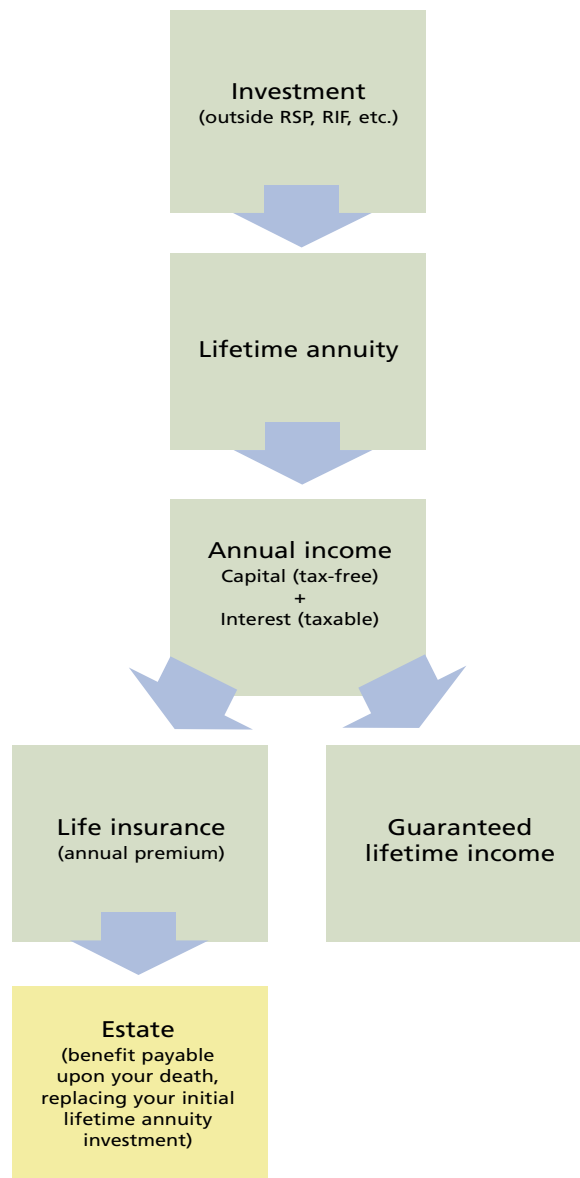


Insured annuities at a glance



The insured annuity: a sensible approach

A financial plan that includes an insured annuity means you'll enjoy a superior guaranteed return while keeping your capital intact for your heirs. It's an approach that makes a great deal of sense!

Through NBF Financial Services, a financial services firm exclusive to National Bank Financial, your Investment Advisor can give you access to the best insured annuities on the market, and provide the solid expertise you need.

Call soon for more information!

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Insured annuities: guaranteed security and superior returns!

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What is an insured annuity?

An insured annuity is a financial instrument that combines an annuity and life insurance. This combination allows you to earn higher returns on your cash assets than with traditional vehicles, such as guaranteed investment certificates (GICs), while preserving tax-free capital for your heirs.

How it works

Life insured annuities work on a simple principle:

With the portion of your savings that is not sheltered in a registered plan (retirement savings plan, retirement income fund, etc.), you purchase a lifetime annuity. The annuity provides you with a fixed income for the rest of your life. At the same time, you take out an insurance policy for an identical amount. Upon your death, the policy serves to reconstitute the annuity purchase amount, which goes to your estate in full, since life insurance benefits are tax-free.

Part of the income from your annuity represents reimbursed capital, which is tax-free; the balance represents interest earnings on your investment, which are subject to tax. Ultimately, the net (after tax) return on your annuity will be far greater than what you would receive from a GIC.

Annuity payments cease upon your death.

However, the death benefit from the life insurance policy is paid to your designated beneficiary or your estate, replacing the amount initially invested in the annuity.

In short, life insured annuities offer you the security of guaranteed lifetime income while enabling you to leave undiminished capital to your beneficiaries or estate.



Who can benefit from an insured annuity?

- Anyone aged 65 or over in a high tax bracket.
- Anyone wanting a guaranteed fixed income.
- Anyone seeking a guaranteed investment with returns higher than those generated by traditional guaranteed income instruments.
- Anyone with cash assets outside a registered plan (RSP, RIF, etc.) wishing to invest in a fixed-income vehicle.
- Anyone planning to use the investment returns but wanting to preserve the original capital amount.

Insured annuities: two examples for comparison

EXAMPLE 1 Initial investment of \$100,000 Male, aged 65

	GUARANTEED INVESTMENT CERTIFICATE — 6%	INSURED ANNUITY
Annual income	\$ 6,000 (taxable portion: \$6,000)	\$ 9,600 (taxable portion: \$3,496)
Tax payable (50%)	- \$ 3,000	- \$ 1,748
After-tax income	\$ 3,000	\$ 7,852
Annual life insurance premium (total coverage \$100,000)	- \$ 0	- \$ 3,045
Total net income	\$ 3,000	\$ 4,807
After-tax yield	3.00%	4.80%

This 1.80% difference represents a 60% gain over a GIC.

EXAMPLE 2 Initial investment of \$200,000 Female, aged 75

	GUARANTEED INVESTMENT CERTIFICATE — 6%	INSURED ANNUITY
Annual income	\$ 12,000 (taxable portion: \$12,000)	\$ 23,820 (taxable portion: \$6,348)
Tax payable (50%)	- \$ 6,000	- \$ 3,174
After-tax income	\$ 6,000	\$ 20,646
Annual life insurance premium (total coverage \$200,000)	- \$ 0	- \$ 9,030
Total net income	\$ 6,000	\$ 11,616
After-tax yield	3.00%	5.80%

This 2.80% difference represents a 93% gain over a GIC.

The examples in this document are for illustration purposes and have no contractual value. The amounts and rates of return are projections only; they do not guarantee or forecast performance.