



# Long-term investment options with universal life insurance





Universal life plans from *ivari* provide your clients with the long-term insurance protection they need and the investment options they want.



# Let's talk about...investment options with universal life from ivari

Helping your clients meet their financial needs is easier with investment solutions and managed portfolios.





# Let's talk about... your client's future

Clients who have purchased universal life protection understand the value of saving for their future. A portion of their premium is allocated to an investment option, and that amount grows tax-deferred.

Whether they're saving for a more comfortable retirement, or for leaving money to their children, understanding the investment options available to them through their UL policy from *ivari* can help your clients achieve their financial goals.



# Understanding investing

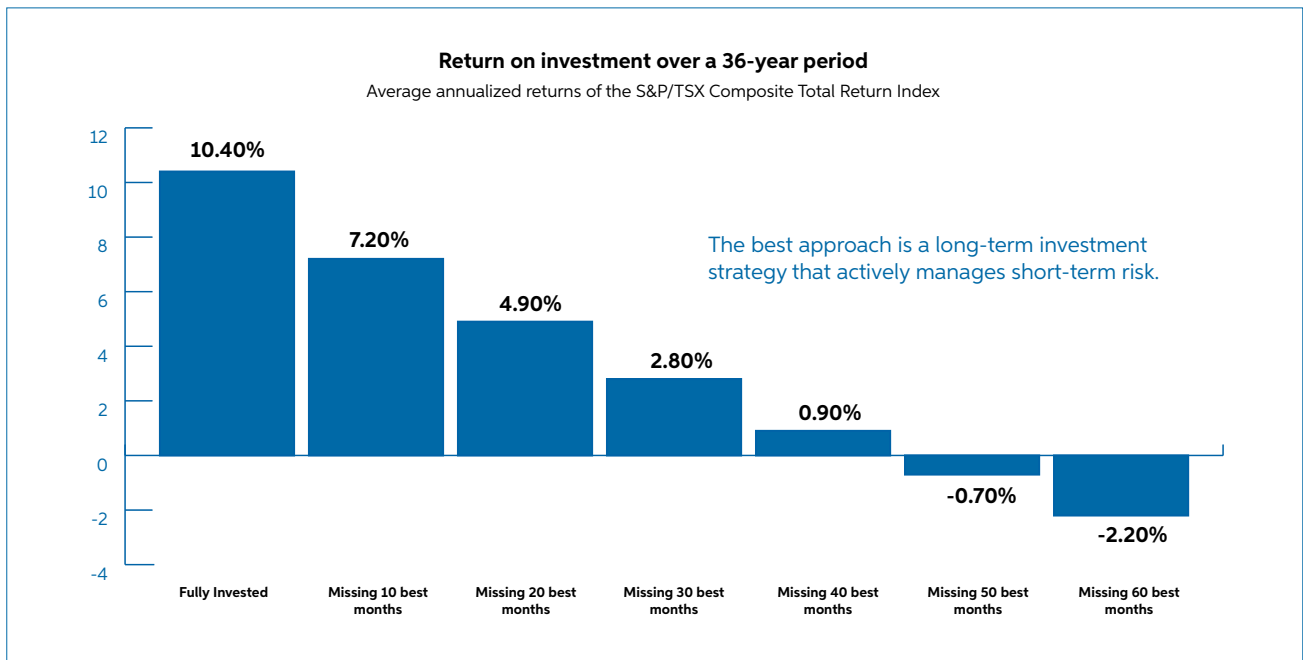
It's easy for your clients to get overwhelmed by all the investment options out there, not to mention all of the "tips" and "tricks" they might hear from well-meaning friends or read in today's newspaper headlines.

As an advisor, you have the opportunity to start a conversation with your clients about basic investment principles, and the investment process, so they can make sound financial choices for their needs.

## Long-term goals need long-term investments

You probably receive calls every day from clients regarding headlines they have seen about the future of the economy or whether the financial markets are going up or down. And they may be tempted to try to "time" the market. But this is difficult, if not impossible, to do and could end up eroding your client's investment portfolio's value. Short-term trading can result in clients missing out on the best months of an investment's performance.

## The impact of missing the "best months"



Source: Morningstar.

From December 31, 1976 to December 31, 2012

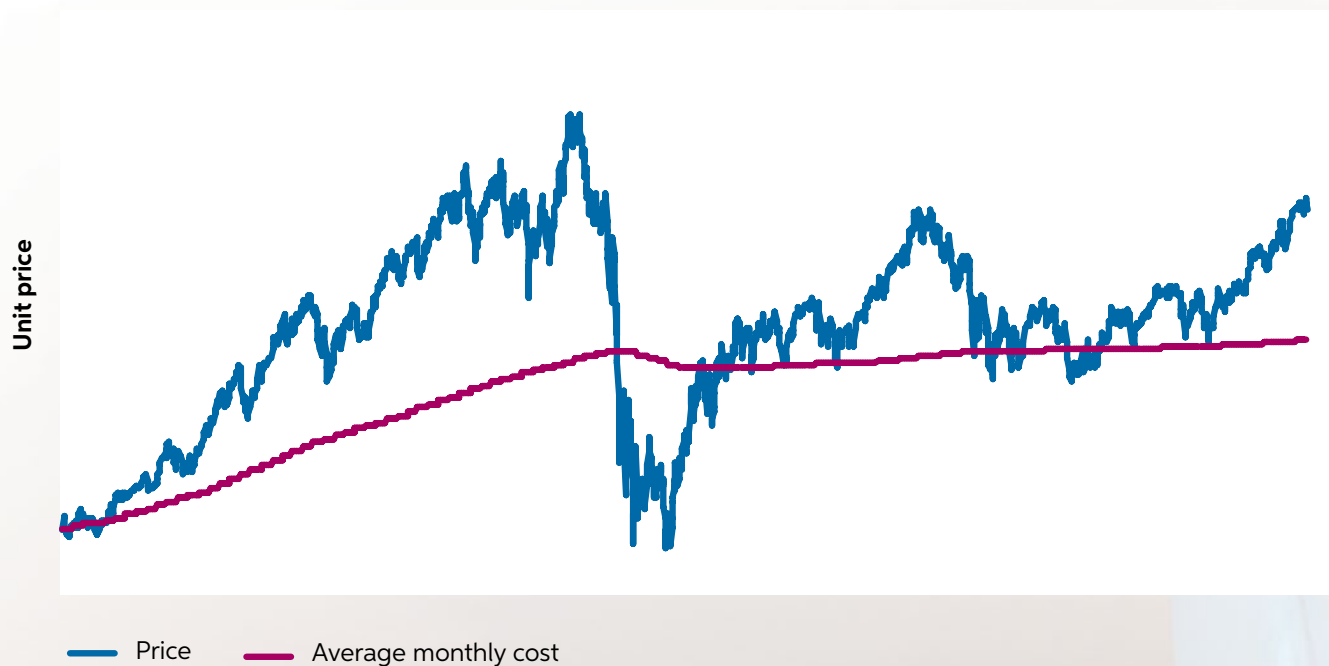
Clients who try to time the market by pulling their investments in and out of the markets can miss the "best months," which results in missing out on significant investment opportunities. Universal life insurance from *ivari* encourages your clients to think long-term about their investment choices and minimizes the risks associated with short-term market volatility.

# Let's talk about... dollar-cost averaging

Dollar-cost averaging is a technique in which universal life plan holders contribute a fixed dollar amount to their portfolio on a regular basis, regardless of the current price of the investment. Investing with a fixed dollar amount per month over a period of time “averages” the price over that period.

By investing smaller amounts on a regular basis, long-term investors do not have to worry about investing larger amounts at market peaks or missing the opportunity to invest at low prices.

The best way for your clients to take advantage of dollar-cost averaging is with a Pre-Authorized Chequing (PAC) plan. With this plan, a fixed dollar amount is automatically withdrawn from your client's bank account on a specific date each month.



# Let's talk about...asset allocation

## Why does asset allocation matter?

Asset allocation is based on the principle that a portfolio's exposure to different asset classes contributes more to its value over time than its selection of individual securities.

The idea behind asset allocation is to balance your client's risk and reward by dividing a portfolio's assets according to your client's goals, their risk tolerance and their investment timeline.

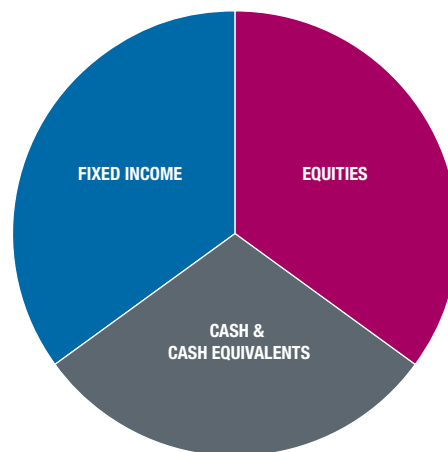
The three main asset classes - equities, fixed-income, and cash (and cash equivalents) – have different levels of risk and return, so each will behave differently over time.



## The three main asset classes

The chart shows the three asset classes – equities, fixed income and cash (and cash equivalents) – that form the basis of most investment portfolios. Other asset classes an individual may hold include real estate investment trusts, infrastructure securities and other alternative investments.

Strategically adjusting a portfolio's exposure to the different asset classes can make your client's investment portfolios more conservative or more aggressive, depending on their tolerance for risk, while taking advantage of the opportunities available in these asset classes.

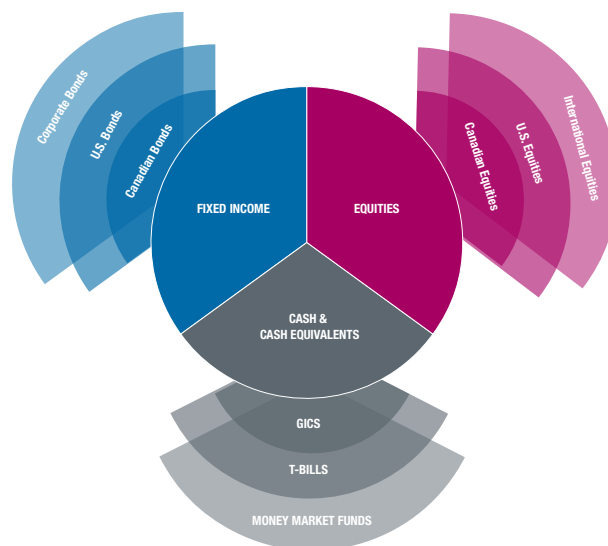


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## What about diversification?

History has shown that dividing a portfolio's assets into a variety of different investment options – such as Canadian stocks and bonds, as well as some global investments – can help reduce portfolio volatility and increase long-term returns.

Portfolios can be diversified by geographic region, economic sector, investment style, etc.





# Let's talk about...building your client's universal life portfolio

After introducing your clients to the benefits of long-term investing, asset allocation and diversification, you will want to offer them investment options that can provide these benefits and help them achieve their long-term goals.

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***ivari* offers a number of tax-deferred Interest Options to choose from, depending on your client's risk tolerance, financial situation and personal circumstances. The choices available from *ivari* include Treasury Bill Interest Options, Fixed-Rate Interest Options, Passive Index Interest Options and Managed Index Interest Options.**

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## Treasury Bill Interest Options

This option provides interest based primarily on the return of Government of Canada Treasury bills, as well as a guaranteed minimum interest rate.

## Fixed-Rate Interest Options

Appropriate for clients concerned about market fluctuation, this option also provides minimum interest guarantees. It is available in one-, five- and ten-year terms.

## Passive Index Interest Options

Passive-managed options are those where a fund's portfolio mirrors a market index rather than being managed actively by a fund manager. Our Passive Index Interest Options closely follow the performance of major stock and bond benchmarks such as the S&P/TSX 60 or the S&P 500.

Currency-exposed Index Interest Options are subject to the fluctuations between the currency of the underlying investment and the Canadian dollar. The daily credited return is affected by each day's change in the Canadian dollar exchange rate. Therefore, while the investment is held, a declining Canadian dollar enhances returns, and a rising dollar diminishes returns.

## Managed Index Interest Options

Managed Index Interest Options offer returns linked to the performance of actively managed funds. These funds are managed by some of the most well-respected investment professionals in Canada and around the world. Both Individual Options, which follow one fund, and Portfolio Options, which follow a basket of funds, are available.

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**When choosing Passive Index Interest Options or Managed Index Interest Options, or both, it is important to note that clients are not purchasing units of the funds themselves, but are receiving an interest rate\* that is credited each business day and is guaranteed to be 100% of the funds' returns (net of the retail class mutual fund management expense ratio).**

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\* The interest rate applicable to the Index Interest Options may be either positive or negative, depending on the performance of the underlying index or fund.

Daily Interest Options	Fixed-Rate Interest Options	Passive Index Interest Options		Managed Index Interest Options	
		Individual Options	Portfolio Options	Individual Options	Portfolio Options
Treasury Bill Interest Option	One-, Five- and Ten-Year Fixed-Rate Interest Options	<b>Currency-exposed total return</b> Canadian Bond Index II Canadian Equity Total Return Index European Equity Total Return Index Japanese Equity Total Return Index U.S. Large Capitalization Total Return Index U.S. New Technologies Total Return Index	<b>Index Allocation Program (IAP)</b> Aggressive Growth Growth Balanced Conservative	<b>imaxxFunds</b> imaxx™ Canadian Bond imaxx™ Canadian Equity Growth imaxx™ Canadian Fixed Pay imaxx™ Global Equity Growth	ivari CI Conservative Portfolio ivari CI Balanced Portfolio ivari CI Growth Portfolio ivari CI Maximum Growth Portfolio
		<b>Currency-neutral</b> CAN-U.S. Large Cap CAN-U.S. 21st Century CAN-Euro CAN-Asian		<b>Third-party managed</b> AGF American Growth Class CI American Value CI Canadian Small / Mid Cap CI Signature Select Canadian Cambridge American Equity Corporate Class Dynamic Global Discovery Dynamic Value Fund of Canada Fidelity Canadian Balanced Fidelity NorthStar® Fidelity Canadian Disciplined Equity® Invesco International Growth Class Mackenzie Cundill Canadian Balanced Mackenzie Cundill Value Franklin Mutual Beacon TD Dividend Growth	



# Let's talk about..ivari CI Portfolios

ivari CI Portfolios provide your clients with a well-diversified, long-term solution suited to their individual investor profile and long-term goals.

## Access to leading portfolio managers

ivari CI Portfolios offer your clients access to award-winning investment managers with proven track records. The CI Investment Consulting team selects funds and their managers based on their investment process and proven ability to add value and fit into the overall portfolio diversification strategy.

ivari CI Portfolios are designed to be long-term investment options that allow clients to remain focused on their goals, not the market noise.

Built with well-researched equities and fixed-income investments to ensure a diversified portfolio of strong holdings, they have been created using award-winning funds from some of the most respected asset managers in Canada. They are managed using CI Investment Consulting's portfolio construction skills and State Street Global Advisor's asset mix expertise.

With ivari CI Portfolios, clients can build their universal life plan amounts over time through a pre-authorized chequing plan.



TETREM CAPITAL MANAGEMENT





## Professional asset allocation

Our ivari CI Portfolios are carefully constructed by CI Investment Consulting using comprehensive research and recommendations provided by State Street Global Advisors, a world leader in investment research. Each portfolio is designed to maximize performance for a given level of risk using sophisticated optimization methods.



### ivari CI Conservative Portfolio

This portfolio may be right for a person who wants potential for income and some growth, and is comfortable with small to moderate changes in value during the term.



### ivari CI Balanced Portfolio

This portfolio may be right for a person who wants potential for growth and income, and is comfortable with small to moderate changes in value during the term.



### ivari CI Growth Portfolio

This portfolio may be right for a person who wants potential for growth and some income, and is comfortable with small to moderate changes in value during the term.



### ivari CI Maximum Growth Portfolio

This portfolio may be right for a person who wants potential for growth, and is comfortable with moderate changes in value during the term.

# NOTES

With a national network of thousands of independent advisors, *ivari* provides a full range of insurance products designed to help Canadians make the right choice for their protection needs. The people, products and service that make up *ivari* have stood the test of time and have been around for over 80 years in the Canadian marketplace. Through our commitment to always being approachable and transparent in everything we do, we are dedicated to starting a fresh, new conversation about insurance. And we will stand by our word. Visit us at [ivari.ca](http://ivari.ca).

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**To learn more about *ivari's* products and services, please visit [ivari.ca](http://ivari.ca).**

**Any information contained herein is intended for general information purposes only and should not be considered specific or personal investment, insurance, estate planning, legal or tax advice or a solicitation to purchase insurance.**

**The *ivari* CI Portfolios are managed by CI Investment Consulting on behalf of *ivari* Canada ULC.**

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