

Performance Backed by Expertise



BMO Insurance Whole Life
Simple. Flexible. Guaranteed.

About the Plan

BMO Insurance Whole Life is a non-participating permanent life insurance plan offering an increasing death benefit with guaranteed cash values and guaranteed level premiums payable for 10 or 20 years or to age 100, after which time the policy becomes fully paid up. There are two plan options to address two distinct markets – Wealth Accelerator to address wealth accumulation market and Estate Protector for the estate protection market.

The increasing death benefit (above the basic coverage) is provided by an annual Performance Bonus that BMO Insurance automatically uses to purchase additional “paid-up” insurance coverage (or Paid-Up Additions).

Performance Bonus

Each year, a Performance Bonus is calculated on the policy anniversary using a Performance Bonus Rate that’s declared annually. The Performance Bonus is then automatically used to purchase additional “paid-up” insurance coverage (or a “Paid-Up Addition”) which increases the amount of the death benefit and cash value available on the policy *at no additional cost above the premiums due for the basic coverage.*

Performance Bonus Rate: the Performance Bonus Rate takes into account the rate of return of a portfolio of fixed income investments and enhanced equity investments designed to target higher overall portfolio yields. To reduce the year-to-year fluctuations (i.e. volatility) of the Performance Bonus Rate, BMO Insurance uses a smoothing formula with a goal of generating more stable, long-term returns.

The Performance Bonus Rate is guaranteed to never be negative.



Guaranteed Performance Bonus Rate

The Performance Bonus Rate can change from year-to-year but will never be negative.

Crediting the Performance Bonus: once a year, the Performance Bonus Rate (expressed as a percentage) is declared and used to calculate the Performance Bonus for each policy when it reaches its policy anniversary during the year.

The Performance Bonus Rate for the year is shown on the annual statement for each policy. The actual Performance Bonus is then calculated by multiplying the Performance Bonus Rate by the sum of the Guaranteed Cash Value of the basic coverage plus the Additional Payment Balance (if any). BMO Insurance then automatically uses this Performance Bonus to purchase “paid-up” insurance coverage.

This paid-up insurance coverage is shown on the policy owner’s annual policy statement as a “New Paid-Up Addition This Year”.



For information regarding Wealth Accelerator policies submitted on or before October 30, 2020, please refer to the [Closed Block fact sheet](#).

Investment objective: BMO Insurance Whole Life tracks the performance of a notional portfolio of derivatives and fixed income securities.

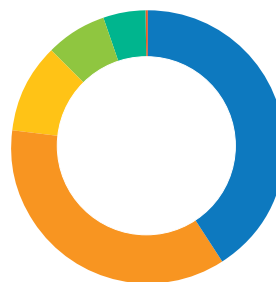
The fixed income portion of the notional portfolio consists of high-quality investment grade bonds. The enhanced equity portion of the notional portfolio consists of derivatives that track the performance of low volatility Canadian and US market indices.

Asset Exposure Composition: the current notional portfolio is based on an asset exposure mix of:

- fixed income investments managed by BMO Asset Management and indexed to the yield of the BMO Long Corporate Bond Index ETF (ZLC); and
- enhanced equity investments managed by BMO Capital Markets with returns indexed to the Low Volatility TSX (TXLV) and S&P500 (SP5LVI) market indices.

The asset exposure mix is expected to fall within the following ranges:

Asset Class	Target Asset Exposure Mix	Asset Exposure as of December 31, 2023
Fixed Income	50% – 80%	66.5%
Enhanced Equity (returns indexed to US and Canadian market indices)	20% – 50%	33.5%



Fixed Income Exposure Breakdown*

Infrastructure	40.7%
Energy	35.9%
Communication	10.6%
Industrials	7.2%
Financials	5.0%
Real Estate	0.6%



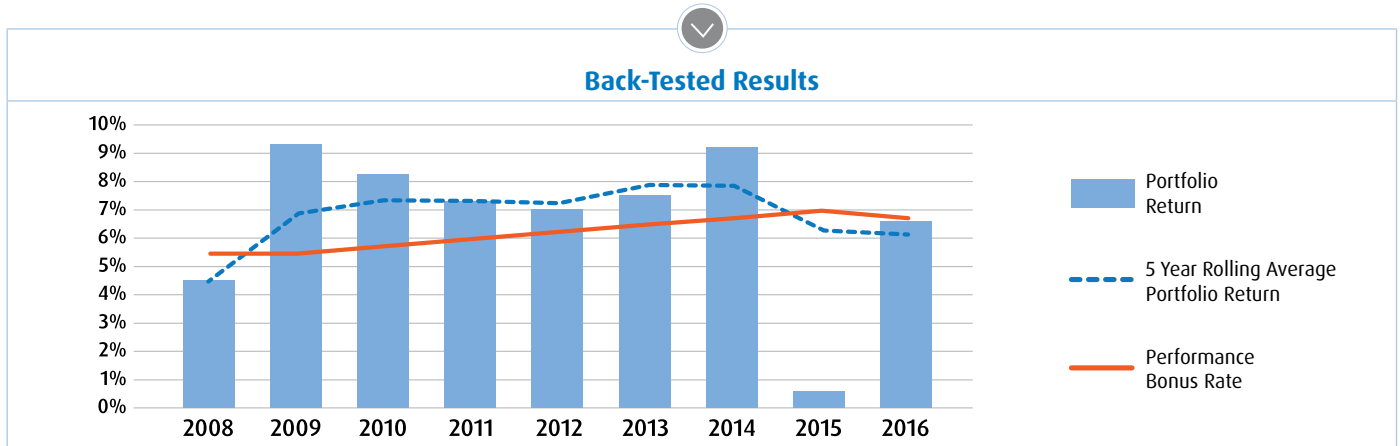
Enhanced Equity Exposure Breakdown*

Consumer Staples	22.0%
Utilities	20.0%
Financials	15.4%
Healthcare	13.8%
Industrials	9.9%
Other	18.9%

*As of December 31, 2023

Back-Tested Performance Bonus Rate¹

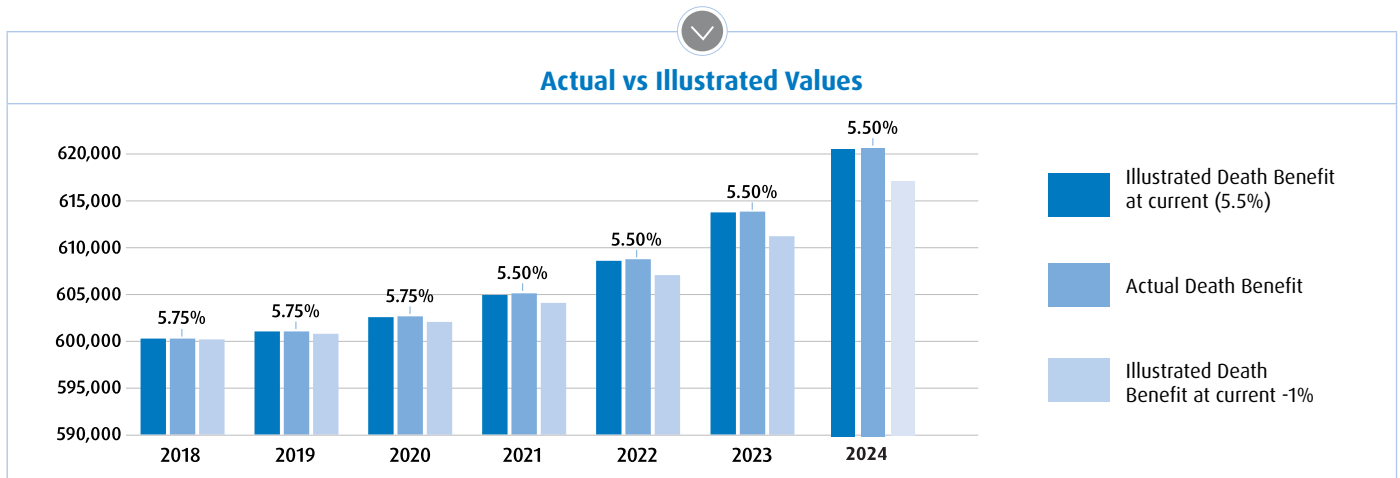
Take a look at the following chart of one year back-tested Performance Bonus Rates that BMO Insurance would have generated based on (historical) returns using the investment strategy described above and assuming a 5.50% guaranteed Performance Bonus Rate since 2008.



Past performance is no guarantee of future performance. Also, as part of a BMO Life Assurance Company policy, policy owners do not purchase units in any designated fund or a legal interest in any security.

What you see is what you get

As you can see, performance has been stable since the product was launched. It's predictable, and at or even slightly above the set bonus rate.



Assumptions: BMO Insurance Whole Life Estate Protector. Male 40, \$600,000 face value, guaranteed 10-pay, \$26,000 base premiums, no additional payment option. Source: The Wave 34.

Unlike other whole life plans in the market, mortality, lapses and actual expenses don't factor into the performance bonus: these are guaranteed when the policy is issued. The only factor that remains is investment performance. This keeps the guesswork out of how other factors could impact what policy owners expect to earn on their policies.

Backed by Expertise

The assets held for BMO Insurance Whole Life policies form part of the general assets of BMO Insurance and are managed in partnership with BMO Asset Management Inc.² and BMO Capital Markets.

BMO Asset Management Inc., BMO Capital Markets and BMO Insurance are members of BMO Financial Group, one of the largest diversified financial services providers in North America founded on a legacy that extends back to 1817 with \$1.29 trillion in total assets as at October 31, 2023.

This proven history of financial strength lets us stand behind our insurance products by offering flexible coverage options, comprehensive benefits and competitive prices.

By partnering with BMO Asset Management and BMO Capital Markets, BMO Insurance provides clients with equity exposure that is combined with a strategy to help reduce any downside risk when markets are weak.

Our Commitment to You

BMO Life Assurance Company, a part of BMO Financial Group, appreciates the opportunity to help you meet your financial needs. We are committed to respecting and protecting your privacy and confidentiality of the personal information you have entrusted to us. It is important for you to understand what information we will collect, how we will use it, and who may see it.



To view our full privacy policy, please visit the privacy section at [bmoinsurance.com](https://www.bmoinsurance.com)

For more information about BMO Insurance or our products, please consult with your insurance advisor or contact us at:

1-877-742-5244

[bmoinsurance.com](https://www.bmoinsurance.com)



¹ Based on calendar year returns of a notional portfolio of assets for BMO Insurance Whole Life using historical data from January 1, 2008 to December 31, 2016 and assuming equal monthly investments during this term. Fixed income investments indexed to the BMO Long Term Corporate Bond ETF (ZLC) and Enhanced equity investments indexed to the Low Volatility TSX (TXLV) and S&P500 (SP5LVI) market indices.

² BMO Global Asset Management is the brand name for various affiliated entities of BMO Financial Group that provide investment management, retirement, and trust and custody services. BMO Global Asset Management comprises BMO Asset Management Inc., BMO Investments Inc., BMO Asset Management Corp., BMO Asset Management Limited and BMO's specialized investment management firms.

The information in this publication is intended as a summary of our products and/or services and may include projected values based on a set of assumptions. Actual results may not be guaranteed and may vary. Please consult the appropriate policy contract for details on the terms, conditions, benefits, guarantees, exclusions and limitations. The actual policy issued governs. Each policyholder's financial circumstances are unique and they must obtain and rely upon independent tax, accounting, legal and other advice concerning the structure of their insurance, as they deem appropriate for their particular circumstances. BMO Life Assurance Company does not provide any such advice to the policyholder or to the insurance advisor.

Insurer: BMO Life Assurance Company