



Working with your financial advisor – setting the right objectives

Gerald Prince always felt he had done well in life. He was born into a poor family during the depression, and had always done as his mother taught him – “work hard Gerald, but you save even harder.” Forced to leave school before graduation, Gerald apprenticed as a carpenter. His natural talent, solid business sense and years of hard work paid off. By the time he was ready to retire, he had built himself a very successful contracting business.

At age 35, Gerald married his first wife, Nora. By their late thirties, they had two sons, Mark and Peter. Tragedy struck the family when Nora passed away suddenly during her mid-fifties. It was a very difficult time for the family, especially Gerald, who mourned by immersing himself in his work, and in a volunteer group through his local church.

A few years later, Gerald met Rita. They had much in common, including the fact that Rita was widowed and had two sons of her own. They dated for more than two years, and with their families’ blessing, married at their local church.

Gerald loved Rita and wanted to share his wealth and good fortune with her. But he also wanted to ensure that his sons would also benefit from his years of hard work as well. After all, Gerald had grandchildren now and wanted to give them a chance at receiving the education that he had never had.

Gerald didn’t know much about estate planning and was concerned that if he died before Rita, her sons could eventually end up with a greater proportion of his estate than his own two kids. And now that his business was in the process of being liquidated, he would soon be sitting on a small fortune and was unsure of the best way to proceed.





Gerald took a friend’s advice and contacted a financial advisor for help. With the help of his advisor, Gerald established some financial objectives that included:

- Drawing an income without depleting his capital
- Maximizing the transfer of wealth to his heirs (i.e. paying less tax)
- Ensuring that his entire family would be well taken care of

The financial advisor recommended the following strategies to ensure a smooth transition of Gerald’s assets to his beneficiaries:

- Seeing a lawyer to update his existing will
- Designating beneficiaries – his sons, Peter and Mark and his wife, Rita
- Setting up new joint accounts with Rita
- Constructing a portfolio of Guaranteed Interest Contracts and segregated funds to provide the following benefits:

Gerald’s financial advisor helped him build a plan to meet all his current and future income and estate planning needs. With a strong financial plan in place, Gerald could now relax and focus his energy on his new life, helping his kids and making sure that his grandchildren always do their homework.

¹ Guaranteed Interest Accounts are available within a Manulife Guaranteed Interest Contract (GIC)

² Segregated funds have unit values that will fluctuate and performance is not guaranteed.

³ Fees may apply upon withdrawals

⁴ Probate is not applicable in Quebec. In Saskatchewan, jointly held property and insurance policies with a named beneficiary are included on the application for probate but are not subject to probate fees.

	Guaranteed Interest Accounts¹	Segregated Funds²
Income	✓	✓
Security	✓	✓
Tax Efficiency		✓
Liquidity	✓	✓ ³
Avoiding Probate ⁴	✓	✓

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