

# UNIVERSAL LIFE SAVINGS & INVESTMENT OPPORTUNITIES



Equitable Life  
of Canada®

THE EQUITABLE LIFE INSURANCE COMPANY OF CANADA

# Universal Life Savings & Investment Opportunities

Universal Life plans offer the benefits of two distinct components packaged in one convenient plan. The first...the insurance component...is the foundation of Universal Life and an integral part of your financial and estate plan, providing financial protection for your family or business against the loss of your greatest asset... you.

The second component...the savings and investment portion...can play an important role in your financial future. Whether you want to build a fund for retirement, your child's education, have access to cash in an emergency or simply save for a rainy day, the tax-deferred savings and investment component within these insurance plans can help make it happen.

Both Equation Generation® IV Universal Life and EquiLife™ Universal Life allow you to invest in any combination of the following savings and investment opportunities (the Investment Interest Accounts):

- Daily Interest Account
- Guaranteed Deposit Accounts (GDAs)
- Linked Interest Options

## The Daily Interest Account and Guaranteed Deposit Accounts ...offer security when you need it.

The Daily Interest Account is similar to a typical savings account found at various financial institutions. The interest rate credited on premiums allocated to this Investment Interest Account will be determined by Equitable Life® from time to time, but is guaranteed never to be less than 90% of the yield on 91 day Government of Canada Treasury Bills, less 2%.

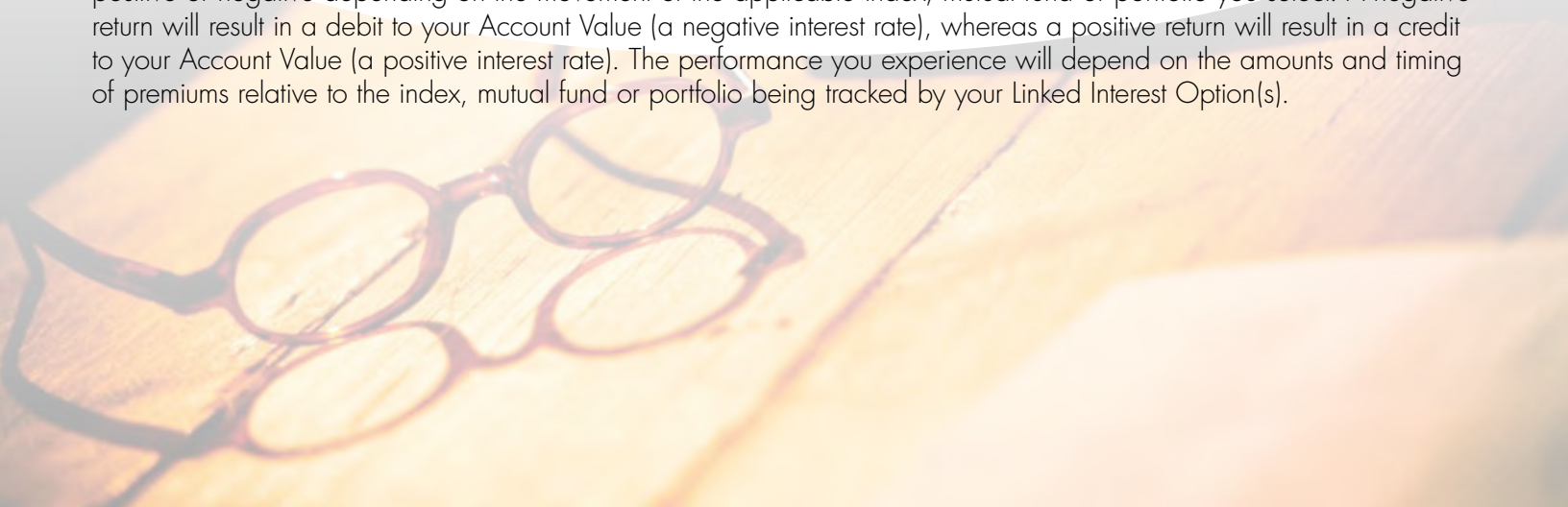
Guaranteed Deposit Accounts are available within your Equation Generation IV and EquiLife plans with terms of 1, 5 and 10 years. Minimum premiums of at least \$500 allocated to these Investment Interest Accounts provide you with a guaranteed rate of interest for the term selected along with principal guarantees.

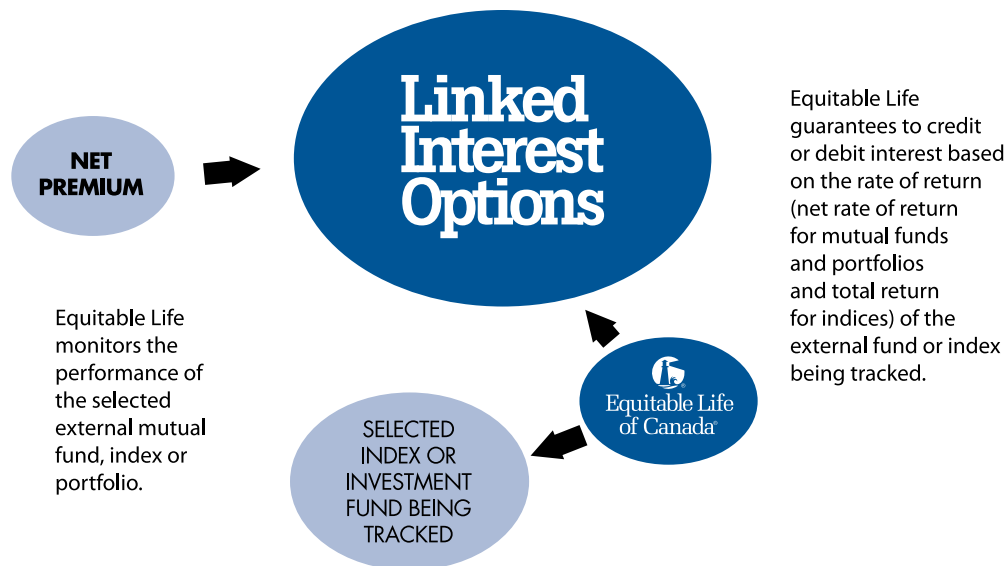
## Linked Interest Options...How they work

Linked Interest Options provide the opportunity to have your non-registered assets enjoy tax-deferred earnings...earnings that reflect the performance of domestic, U.S. and global equities as well as fixed income markets.

Net premiums allocated to the Linked Interest Options are investments in an interest bearing account on deposit with The Equitable Life Insurance Company of Canada. You are not investing in or buying units in the index, mutual fund or portfolio being tracked; you are placing your money on deposit with the general funds of Equitable Life. The interest credited or debited to your account is guaranteed to be based on the performance of the relevant index, mutual fund or portfolio the Linked Interest Option is tracking.

Due to the variable nature of the market-based investments that are being tracked, the rate of interest can be either positive or negative depending on the movement of the applicable index, mutual fund or portfolio you select. A negative return will result in a debit to your Account Value (a negative interest rate), whereas a positive return will result in a credit to your Account Value (a positive interest rate). The performance you experience will depend on the amounts and timing of premiums relative to the index, mutual fund or portfolio being tracked by your Linked Interest Option(s).





### Example...

If you have a value of \$2,000.00 in one of the Performance Fund or Portfolio Interest Options and the fund or portfolio it is tracking has a 2% net rate of return, the value of your account will increase by the credited 2% interest to \$2,040.00. Correspondingly, if the fund or portfolio has a net rate of return of -3% (a 3% decrease), the value of that Linked Interest Option will receive a debit of a negative interest rate of 3% to \$1,940.00.

(Index Interest Options credit or debit interest based on the total rate of return of the index being tracked)

While Linked Interest Options may provide the potential for greater rates of return over the long term, there is an inherent risk in selecting them as investment options. Unlike investing in the Daily Interest Account or the Guaranteed Deposit Accounts where there are guarantees surrounding the credited interest rates, investments in the Linked Interest Options are **NOT GUARANTEED**. It is possible to receive negative interest, which will result in a decrease to your Account Value. It is important to consider these factors and your risk tolerance when you make your Investment Interest Account selection.

### There are three types of Linked Interest Options available:

- Index Interest Options
- Performance Fund Interest Options
- Portfolio Interest Options

The Index Interest Options provide you with the opportunity to earn interest based on the movement of widely recognized indexes from Canada, U.S., and Europe. By selecting the Index Interest Options you receive interest based on 100% of the total return of the index being tracked.

#### • Canadian Equity Index Interest Option:

Currently, this option tracks the S&P/TSX 60 Total Return Index. To be considered for inclusion in the S&P TSX 60 a company must be incorporated in Canada. In addition, any companies included in the S&P TSX 60 Index must satisfy other criteria such as size, liquidity and sector leadership.

#### • American Equity Index Interest Option:

This Index Interest Option currently tracks the Standard and Poor's 500 Total Return Index. More commonly known as the S&P 500, this index is one of the largest and most liquid equity indices in the world. Representing a broad cross-section of the U.S. equity market, the S&P 500 is known world wide as the paramount benchmark for stock market performance.

- **U.S. Technologies Index Interest Option:**

Currently this Index Interest Option tracks the NASDAQ 100 Total Return Index. The NASDAQ 100 Index represents the largest companies across major technological industry groups. Included are: computer hardware and software, telecommunications and biotechnology companies, to name a few.

- **European Index Interest Option:**

This Index Interest Option currently tracks the DJ EURO STOXX 50 Total Return Index. As a blue chip index, the DJ EURO STOXX 50 is a subset of the relevant broad index, the Dow Jones EURO STOXX. The blue chip stocks included with this index are from the European Monetary Union countries, made up of France, Germany, the Netherlands, Finland, Italy, Spain and Belgium.

- **U.S. Blue Chip Index Interest Option:**

This Index Interest Option currently tracks the Dow Jones Industrial Average Total Return Index. The Dow Jones Industrial Average, launched in 1896, is the world's most recognized stock market indicator. Comprised of 30 blue chip U.S. stocks the Dow Jones Industrial Average is considered the world's largest stock market and is viewed as a premier benchmark, world wide, for stock market performance.

*The Performance Fund Interest Options give you the ability to earn interest that mirrors the performance of mutual funds (including the reinvestment of dividends) managed by some of the world's best professional money managers, such as McLean Budden, Franklin-Templeton Investments and Mackenzie.*

- **Global Performance Fund Interest Option:**

Currently tracking the performance of one of Canada's premier mutual funds...the Templeton Growth Fund, Ltd. Established in November 1954, the fund remains the flagship mutual fund for the entire Franklin Templeton organization. Templeton's philosophy includes flexibility in selecting investments, diversification geographically, by industry and by security type, and acquiring stocks at a price projected to be below their true value.

- **Canadian Performance Fund Interest Option:**

Tracks the performance of a solid Canadian mutual fund -- McLean Budden Balanced Growth Fund. Established in 1947, McLean Budden is one of Canada's oldest investment counseling firms with offices in Toronto, Montreal, Vancouver and Chicago. The McLean Budden Balanced Growth Fund, which was established in 1989, invests in Canadian, U.S., and non-North American stocks, bonds, and cash investments.

- **Canadian Bond Performance Fund Interest Option:**

Currently tracking the McLean Budden Fixed Income Fund. The McLean Budden Fixed Income Fund was established in 1989 and invests primarily in a diversified portfolio of high quality Canadian government and corporate bonds. The average term to maturity of bond holdings will normally be seven to 12 years, typically with an equivalent duration of four to seven years.

- **Global Fixed Income Performance Fund Interest Option:**

Currently tracking the performance of the Mackenzie Sentinel Global Bond Fund, a foreign bond fund managed by Mackenzie. Mackenzie Sentinel Global Bond Fund pursues long-term capital growth through active management of long-term fixed income securities issued or guaranteed by governments. The fund's investments are primarily from six countries; the United States, the United Kingdom, France, Germany, Switzerland and Japan.

- **Canadian Value Stock Performance Fund Interest Option:**

Currently tracking the performance of the Mackenzie Cundill Canadian Security Fund. Mackenzie Cundill Canadian Security Fund was established on March 26, 1979 and pursues long-term capital growth from investments primarily in Canadian equity and fixed income securities. The Cundill "value" investment philosophy follows a "contrarian" approach that favours securities trading at a discount to their estimated intrinsic value along with preservation of capital.

- **Large Cap Canadian Equity Performance Fund Interest Option:**

Currently tracking the performance of the Mackenzie Ivy Canadian Fund, one of the many funds managed by Mackenzie's Ivy Funds management team. The fund pursues long-term capital growth while maintaining a commitment to protection of its capital. It also invests predominantly in large-cap, Canadian-based companies with company selection based on their motto, "Ownership in select businesses, patiently acquired".

- **Global Balanced Performance Fund Interest Option:**

Tracks the performance of the Templeton Global Income Fund. This fund seeks current income while maintaining prospects for capital appreciation by investing primarily in debt and equity securities issued around the world. The fund offers a broad selection of investment opportunities and enhanced return potential, while lowering volatility and providing consistent performance.

*The Portfolio Interest Options let you leave the portfolio design to someone else and provide the opportunity to earn interest based on not less than 100% of the net rate of return (i.e. net of management fees) of the portfolio being tracked including the reinvestment of dividends.*

Managed by Franklin-Templeton Investments Private Client Group each Quotential Portfolio is built on the principle of diversification, and includes at least six proven underlying funds. Quotential Portfolios have an unmatched degree of diversification by asset class, market capitalization, geographic region and investment style. When it comes to long-term investment success, diversification can make all the difference in the world.

- **Diversified Income Portfolio Interest Option:**

Tracks the performance of the Quotential Diversified Income Portfolio. Established in February 2003, this portfolio pursues a balance of current income and long-term capital appreciation by investing in a diversified mix of income and bond mutual funds.

- **Balanced Income Portfolio Interest Option:**

Tracks the performance of the Quotential Balanced Income Portfolio. The Quotential Balanced Income Portfolio attempts to provide a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards income.

- **Balanced Growth Portfolio Interest Option:**

Tracks the performance of the Quotential Balanced Growth Portfolio. The portfolio strives to achieve a balance of current income and long-term capital appreciation by investing in a diversified mix of equity and income mutual funds, with a bias towards capital appreciation.

- **Growth Portfolio Interest Option:**

Tracks the performance of the Quotential Growth Portfolio. The Growth Portfolio aspires to achieve long-term capital appreciation by investing primarily in a diversified mix of equity funds with additional stability derived from investing in income mutual funds.

- **Global Growth Portfolio Interest Option:**

Tracks the performance of the Quotential Global Growth Portfolio. This portfolio pursues long-term capital appreciation by investing primarily in a diversified mix of global equity mutual funds. Geographic exposure includes the U.S., Japan, Europe and several Emerging Markets.

- **Maximum Growth Portfolio Interest Option:**

Tracks the performance of an aggressive portfolio– the Quotential Maximum Growth Portfolio. Established in August 2002, this portfolio strives for long-term capital appreciation by investing primarily in a diversified mix of equity mutual funds.

# Equitable Life of Canada®... A wise choice for YOU!

Throughout its more than 80 years in operation, Equitable Life® has provided generations of policyholders with sound financial protection. We remain committed to delivering long-term value to our many clients as an independent, mid-sized mutual Canadian life insurance company.

In the financial services industry of the new millennium, Equitable Life of Canada provides a choice – a wise choice for our policyholders ...now, and for many years to come!

Equitable Life offers our clients a wide selection of quality products to meet their financial needs, including life and critical illness insurance, annuities, employee benefit plans and segregated funds.



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