

Solutions

FALL EDITION 2012

for financial planning

Manulife Investments



Life after work

Turning savings into retirement income



Keeping up with the times

Today's investors need a new approach to generate sustainable income



Solut!ons

Whether you are just starting out, accumulating wealth or getting ready to retire, Manulife Financial offers you a broad range of wealth protection and accumulation products to help you prepare for your financial future. Manulife is one of Canada's strongest and most reliable financial services organizations. With offices in 22 countries and territories, and millions of customers worldwide, you can trust that, when combined with the professional advice you receive from your advisor, our forward-thinking products and services provide practical *Solut!ons* that can help you make the most of your financial plan.



Plan now for the retirement you've always hoped for

Greetings and welcome to this edition of *Solut!ons*. My name is Paul Lorentz and I am excited to be leading Manulife Financial's new Retail organization that includes Manulife Investments and Individual Insurance. As a customer focused organization, it is important to provide you with the information you need to help you be prepared to reach your financial goals. I am a strong supporter of *Solut!ons* and hope you find it to be a valuable source of information.

This edition focuses on the importance of creating a plan for sustainable income in retirement, a solid debt strategy and an up-to-date estate plan. I would like to say congratulations to the winners from the *Solut!ons* Retirement contest and thanks for sharing your stories of how you are making the most of your retirement.

In this issue don't miss the Financial Planning 101 article, *Life after work*, which explores how a newly retired couple can organize their sources of retirement income and cover essential expenses while preserving access to savings when needed. In *Keeping up with the times*, see how you can achieve potentially higher levels of investment income from well-diversified mutual funds that invest across a range of income-oriented asset classes. Finally, if you're retiring soon and have higher levels of debt than you expected, please read *Are you in your 50s and carrying debt?* for ideas to get out of debt sooner.

For 125 years, clients have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Whether your retirement plans include volunteering, travelling or spending time with family and friends, now is the time to ensure you have a sustainable plan that helps enable you to achieve your goals. After reading this edition of *Solut!ons*, I invite you to sit down with your advisor to review your financial plan. He or she has the expertise to help you plan now for the retirement you've always hoped for.

Sincerely,

Paul Lorentz
Executive Vice President and General Manager
Insurance and Investment Solutions, Retail Markets
Manulife Financial



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Life after work

TURNING SAVINGS INTO RETIREMENT INCOME

It's there in black and white — and it's a little bit scary. When recent retirees look at their last paycheck, they may experience a moment of anxiety. Will they be able to sustain their lifestyle without income from work?

The good news is that some expenses disappear completely after retirement — such as the costs of commuting, work clothing and many breakfasts and lunches on the run. Also, retirees who have developed a financial plan for their savings and investments with the guidance of an advisor should be in a better position in retirement.

In the following story, we learn how expert financial advice helps a retired couple enjoy the lifestyle that is their reward for years of saving and following a financial plan. Meet Graham and Ashley, both age 65 and excited about starting a new phase of their lives.

CLIENT OVERVIEW

Clients: Graham, age 65, and Ashley, age 65, married

Financial goals: Organize their sources of retirement income, find a way to generate regular income for life and build in flexibility to access lump sums when needed, all with a focus on tax efficiency

Annual expected expenses: Property taxes \$3,300; vehicle \$5,000; utilities \$5,000; home insurance \$1,200; health insurance \$5,000; food \$8,000; clothing and personal \$3,000; travel \$5,000; entertainment \$5,000; other \$4,000

Total annual expected expenses: \$44,500

Annual guaranteed income (combined): CPP \$15,790; OAS \$12,960; defined benefit pension plan \$8,000

Savings: Graham's RRSP \$225,000; Graham's and Ashley's TFSAs \$30,000; non-registered savings account \$250,000 (from downsizing)

The plan: Use Graham's RRSP to purchase an annuity that generates an additional \$10,000 in annual guaranteed income for a total annual guaranteed income of \$44,500 after taxes; invest \$250,000 in non-registered savings and \$20,000 in TFSAs in balanced mutual funds for growth potential, and \$10,000 in TFSAs in a high-interest savings account for emergencies

For illustrative purposes only. This is a fictional scenario.

Graham worked full-time from age 22, but because he was self-employed as a management consultant he doesn't have an employer-sponsored pension plan. Ashley worked part-time in administration for the local school board for many years while she was raising their two children: Beatrice, age 35 with two children of her own, and Jonah, age 31 and engaged to be married. The couple can count on some income from Ashley's defined benefit pension plan.

Over breakfast one morning, Ashley asks the question that's been at the back of both their minds: "Do we

have enough money for our current and future expenses, including the unexpected?" Graham sets his coffee down and says, "I wish I had the answer — but I know who can help us figure it out. Let's set up a meeting with Nancy next week."

When Graham and Ashley meet with Nancy, their advisor, they tell her they want to:

1. Organize their sources of retirement income
2. Find a way to generate regular income for life
3. Build in flexibility to access lump sums of cash when needed

They also emphasize that they want a tax-efficient plan for their retirement. After all, no one wants to pay more than their fair share of taxes.

Nancy nods and reassures them that she can help them accomplish all of their objectives. "One of the most important principles we'll follow is to make sure your retirement savings are diversified in a variety of products that offer different guarantees and features. This is one of the best ways to plan for sustainable retirement income, whatever your risks and preferences," she says.

She goes on to tell them that any retirement plan should consider a multi-product strategy that provides:

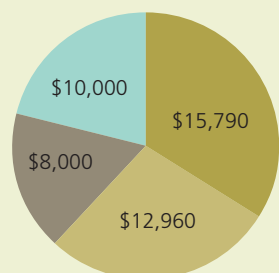
- Guaranteed income for life
- Protection from interest rate fluctuations
- Growth potential of the markets to help keep up with inflation
- Protection from market downturns
- Diversification
- Flexibility and access to cash
- Cost-effective and easy transfer of assets upon death

Do they have enough guaranteed income to meet their expenses?

"Let's start by looking at where your retirement income will come from," Nancy says. "First up — the guaranteed income. As a couple, you're entitled to \$15,790 from the Canada Pension Plan (CPP) and \$12,960 from Old Age Security (OAS) each year. In addition, Ashley's defined benefit pension plan will provide \$8,000 annually. You'll have to pay taxes on this income, but it's money you can count on

Income sources for annual guaranteed income

To generate \$46,750 pre-tax
(\$44,500 after tax)



■ CPP
■ OAS
■ Defined benefit pension plan
■ Annuity

For illustration purposes only.

receiving no matter what other decisions you make.”

Nancy flips to another page in their file. “Graham, you’ve saved \$225,000 in your Registered Retirement Savings Plan (RRSP) and \$15,000 in your Tax-Free Savings Account (TFSA). Nancy, you’ve got \$15,000 in your TFSA too. Also, you’ve sold your house and moved into a smaller home, freeing up a further \$250,000. That money is currently in a non-registered account. All of those savings will help

to fill any gaps between your income and your expenses.”

She continues, “We ran the numbers on your expected retirement expenses last year. Including necessities, as well as some extras such as travel and entertainment, you anticipated spending \$44,500 a year. Has anything changed that would bring that figure up or down?”

Ashley glances through the budget Nancy hands to her. “No, that still sounds right.”

“Then your CPP, OAS and defined benefit pension plan will cover all but about \$10,000 of your expected expenses. I have a very effective solution for that shortfall,” Nancy says.

How can they get an extra \$10,000 in guaranteed income?

Nancy explains that Graham’s \$225,000 in RRSP savings is sufficient to purchase an annuity that will provide \$10,000 a year in guaranteed income. In other words, an insurer can turn his lump sum into guaranteed regular income payments. Annuity payments can continue for a chosen period of time or for the lifetime(s) of one or two people.

“The reason I think an annuity is the right choice for you is that it provides higher guaranteed income than many other guaranteed income products, and we can set it up as

a Life Annuity so it pays money to you as long as either of you is alive,” Nancy explains. “It doesn’t matter what happens to interest rates or in the markets — that \$10,000 a year will be there for you, giving you financial security and peace of mind.”

Ashley tilts her head. “That sounds great, but what happens if we pass away within the next few years? That lump sum will be gone forever, won’t it? And our children won’t get any benefit from all those years of saving in the RRSP?” she asks.

“Actually, that’s a common misunderstanding about annuities,” Nancy replies. “Some annuities offer payment guarantees, which are options that can be added to the contract that ensure a minimum amount of income is paid from the investment to you or your beneficiaries should you die prematurely. One type of payment guarantee is the cash refund guarantee — also known as principal protection. Adding a principal protection option would pay your beneficiaries a lump-sum payment equal to the difference between your original investment and all of the payments you received before your death.”

Graham nods. “We’d definitely like to add the principal protection option to the annuity. We want to make sure

Some annuities offer payment guarantees, which are options that can be added to the contract that ensure a minimum amount of income is paid from the investment to you or your beneficiaries should you die prematurely.



both Beatrice and Jonah are well taken care of if we were to die prematurely.”

Nancy points out a few other things they need to know about annuities. Annuities don’t offer a lot of flexibility,” she says. “You can’t access the principal if you need cash. However, in exchange for giving up that liquidity they provide the highest level of income per dollar invested. They’re a terrific choice as a component of your retirement strategy — combined with other investment vehicles that provide liquidity.”

Where should they invest for growth potential and access to cash?

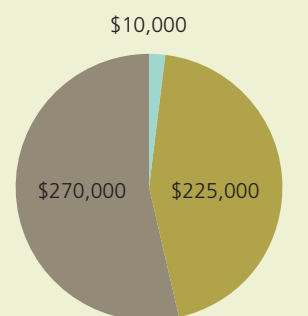
Graham and Ashley have the opportunity to invest \$250,000 in non-registered savings — the surplus from their move to a more modest house.

“I’d recommend balanced mutual funds for that money,” says Nancy. “A lot of retired investors worry about investing in equities, but balanced mutual funds provide a good mix of stability from fixed-income investments and growth potential from equities.”

She explains that the combination of a fixed-income component and an equity component means a balanced mutual fund is diversified between two asset classes that are not highly correlated — so if one decreases, the other doesn’t necessarily follow. Meanwhile, balanced mutual funds may provide important growth potential to help keep their savings one or two steps ahead of inflation.

“A wide variety of balanced mutual funds are available,” Nancy advises them. “Some are more conservative, with a higher fixed-income component.

Multi-product strategy



■ High-interest savings account
■ Annuity
■ Mutual funds

For illustration purposes only.

Some are neutral, with a 50/50 fixed-income/equity split. And some are more aggressive, with a higher equity weighting. Also, there are balanced mutual funds that focus on Canadian or North American markets, and balanced mutual funds that provide exposure to economies and companies throughout the world. The key is to select the fund that best meets your investment objectives and risk profile.”

Nancy emphasizes that part of her job is to assess the individual portfolio managers’ track records and investment styles to help recommend the most appropriate mutual fund to

her clients. She favours mutual funds available in corporate class versions for Graham and Ashley, since this structure will allow them to easily move money from one mutual fund to another within the corporate class without realizing taxable capital gains in their non-registered account, thereby making this a tax-efficient investment.

“Aren’t balanced mutual funds for longer-term savings? Would we be able to withdraw money if we needed it in a hurry?” asks Ashley.

“You would be able to withdraw your money at any time at the current market value.¹ But there’s a final piece of the puzzle that will provide a dedicated emergency fund for you,” says Nancy. “You can invest \$10,000 of your TFSA savings in a high-interest savings account to cover unexpected costs. The remaining \$20,000 of TFSA savings can be invested in balanced mutual funds to help give it greater growth potential.”

Graham and Ashley leave their meeting with Nancy satisfied that they have met their objectives. They have a clear sense of where their retirement income will come from. Their annuity will generate regular payments for life, topping up other guaranteed income sources to meet their expected expenses. Their balanced mutual

funds and high-interest savings account will provide flexibility and access to lump sums when they need them. And Nancy has assured them that she’ll work with them to minimize their annual tax bill. Overall, they are confident their allocation to several distinct products with different benefits will help them achieve their retirement dreams.

Speak with your advisor

Are you wondering if you will have enough money for current and future expenses in retirement? Please speak with your advisor. He or she can make sure your retirement strategy includes a mix of products with various guarantees and features that will help you generate sustainable retirement income. ●



Scan this QR code with your smartphone to learn more. Don’t have a QR code scanner app? Go to 2Dscan.com for a free download or see page 11 for details.

WHAT IS LIQUIDITY?

A “liquid” asset is one that you can quickly and easily convert to cash — for example, cash invested in a high-interest savings account or mutual fund investments. An “illiquid” asset is one that is more difficult, or perhaps even impossible, to convert to cash — for example, GICs can only be cashed out without penalty at the end of the guaranteed period and annuities can never be cashed out by the purchaser. It is very important to hold some liquid assets in your portfolio at all times so you have access to cash when you need it.

¹ Fees may apply.



More income, less risk

With the Manulife Principal Protected Annuity™

Turn your retirement savings into more income that's guaranteed for life, regardless of what happens to interest rates or equity markets. And that's not all. Unlike some annuities, your principal is protected. Any principal¹ not paid as income will go to beneficiaries in the event of premature death.

Incomes* based on a \$100,000 deposit:

Age at Purchase	MALE		FEMALE	
	Monthly (\$)	Annual Payout %	Monthly (\$)	Annual Payout %
65	474.28	5.7	450.62	5.4
70	523.26	6.3	491.52	6.0
75	581.90	7.0	548.49	6.6
80	651.50	7.8	622.56	7.5

Contact your advisor to learn about an annuity that offers more income and less risk.



Manulife Investments
For your future™

¹Principal not already paid is defined as total premium less total payments paid to date. *Annuity incomes as at June 25, 2012. Based on a single life, registered deposit with monthly payments starting one month after purchase. Annual payout percentages represent the sum of 12 monthly income payments divided by the initial premium. The Manufacturers Life Insurance Company is the issuer of all Manulife Annuities. Manulife, Manulife Investments, the Manulife Investments For Your Future logo, Manulife Principal Protected Annuity, the Block Design, the Four Cubes Design, and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

Solut!ons and QR codes

Scan a QR code to link to a video version of the following articles: *Life after work*, *Keeping up with the times* and *Fight the drawbacks*.

So, just what are QR codes?

QR codes, or Quick Response Codes, are two-dimensional barcodes that encode a URL, phone number, address card or message. If your smart phone is both camera-ready and has QR code decoding software installed, simply point your smart phone at the QR code and watch as the browser loads and takes you to the webpage or launches a program needed to process the information that you're trying to access. You'll find

QR codes in magazines, direct mail and store windows and on television and websites.

What's the benefit?

QR codes enable you to quickly access relevant multimedia that will enhance your knowledge of and relationship with the product, service, place, person, company or other sponsor of the QR code — through something like your smartphone.

Please keep in mind that viewing

videos on your smartphone can use up a large amount of data. Ensure that your wireless monthly plan has sufficient data usage.

Try it now — scan this QR Code and view the video *Life after work*. ●



HOW TO SCAN A QR CODE

BlackBerry:

1. Open the BlackBerry App World app.
Visit blackberry.com/appworld to download.
2. Once in BlackBerry App World, push the menu key (to the left of the track pad/track ball).
3. Select "Scan a Barcode" from the menu.
4. Point the phone camera at the QR code as if taking a picture.
5. Make sure all four corners of the code are in the view screen. Hold steady until the camera focuses.
6. An option to open the website link will appear.
Click "yes" to proceed.

Note: you can also download other QR code reader apps, such as QR Code Scanner Pro or ScanLife, from BlackBerry App World.

iPhone:

1. Download a QR code reader app, such as QR Reader or NeoReader, from the App Store. Visit itunes.apple.com to download.
2. Open your QR code reader app and follow any required instructions.

3. Point the phone camera at the QR code as if taking a picture.
4. Make sure all four corners of the code are in the view screen. Hold steady until the camera focuses.
5. An option to open the website link may appear.
Click "yes" to proceed.

Android:

1. Download a free QR code reader app, such as ScanLife, QuickMark or QR Droid, from the Android Market.
Visit market.android.com to download.
2. Open your QR code reader app and follow any required instructions.
3. Point the phone camera at the QR code as if taking a picture.
4. Make sure all four corners of the code are in the view screen. Hold steady until the camera focuses.
5. An option to open the website link may appear.
Click "yes" to proceed.

KEEPING UP WITH THE TIMES



TODAY'S INVESTORS NEED A NEW APPROACH TO GENERATE SUSTAINABLE INCOME

Have you ever bumped into an old friend and been shocked to see how much they had changed over the years? Perhaps it was the way they dressed, the way they carried themselves or how far they had advanced in their career. After a quick conversation, you may have felt a little introspective about your own life and how much things had changed for you.

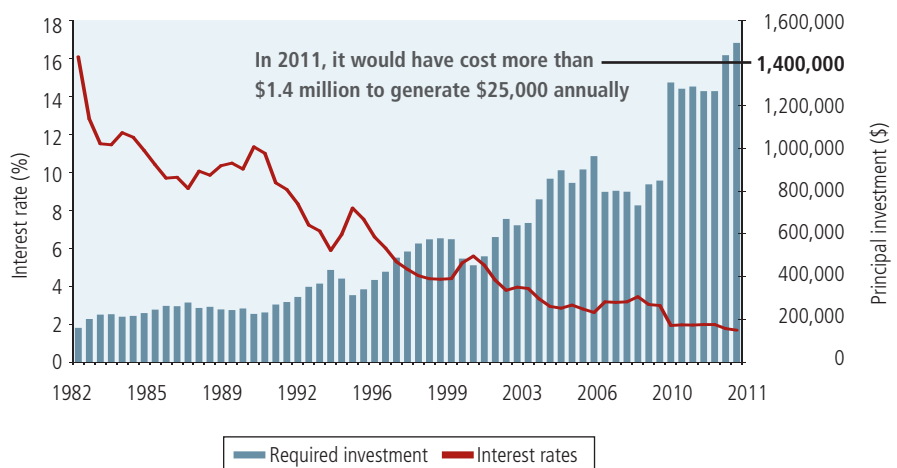
You may be facing some of the same feelings if your focus has changed from saving to generating income for retirement. Not long ago, you could rely on the stability of government bonds and Guaranteed Investment Certificates (GICs) to protect your savings while providing you with an attractive rate of return. But as interest rates change, so too does the amount of interest income that a GIC portfolio produces. With current low interest rates, payout rates are also low.

Traditionally safe investments may no longer provide enough interest income to meet your needs. The following chart provides a historical overview of how much money you would have needed to invest in order to generate \$25,000 of annual interest income from a GIC over the years:


- In 1982, it was approximately \$155,000
- Flash forward to 2011, and it would have cost more than \$1.4 million

GICs and bonds can still play a role within a portfolio since they guarantee your principal investment and a rate of interest. However, if you are looking

What initial investment would generate \$25,000 of annual interest income from a GIC?



Source: Morningstar Direct as at April 30, 2012. For illustration purposes only. The chart displays a six-month rolling average of historical Canadian five-year GIC rates.



If you are looking for higher total returns, you will need to consider diversifying across a range of income-oriented investments.

for higher total returns, you will need to consider diversifying across a range of income-oriented investments.

Diversify your portfolio with income-oriented mutual funds

To better diversify their retirement income portfolios, many investors today are taking advantage of mutual funds¹ that focus on investing in a variety of income-oriented securities. Many fixed-income mutual funds invest in various asset classes including investment-grade corporate, high-yield and emerging market bonds that have different risk profiles and varying levels of upside return potential. Income can also be generated through equities, primarily by investing in companies that have a proven track record of paying out dividends to shareholders.

Here is an overview of the various types of mutual funds that you can leverage in an effort to produce a more reliable income stream.

Corporate bond mutual funds — invest primarily in bonds issued by stable corporations that need working

capital to invest in their business. Because these bonds are issued by corporations, they are considered higher risk than government bonds, since a government can always pay its debt by printing more money. To compensate investors for this additional risk, the amount of interest that corporate bonds pay is almost always higher than government bonds and GICs. A mutual fund can help you access these returns while mitigating risk through active portfolio management, providing instant exposure to a broadly diversified portfolio of corporate bonds.

High-yield bond mutual funds — invest primarily in bonds issued by less stable corporations. Because they are considered higher risk than government or investment-grade corporate bonds, the rate of interest they pay to compensate investors for this risk is almost always higher. In an effort to better mitigate the risks associated with this type of investment, high-yield bond funds may employ various diversification

strategies in the pursuit of higher total returns.

Emerging market bond mutual funds — invest primarily in fixed-income securities issued by countries with developing economies and corporations that reside within these countries. Emerging market bond funds have become more popular with investors in recent years largely because many of these economies have become stronger, which has led to higher credit ratings. Emerging market bonds are considered higher risk than domestic government bonds or high-quality corporate bonds; therefore, it can be highly beneficial for a mutual fund to have a portfolio manager with deep experience in these markets when pursuing the higher return potential that these securities can provide.

Preferred share mutual funds — invest primarily in preferred shares, which are called “preferred” because these shareholders receive their dividends before common shareholders. Furthermore, in the

¹ Mutual funds, unlike GICs, are not guaranteed by the Canada Deposit Insurance Corporation or any other deposit insurer, nor guaranteed by any entity.



event the company experiences financial hardship, preferred shareholders have the potential to be paid before common shareholders. Since preferred shares can be highly specialized in nature, it is recommended that you work closely with your advisor before investing in a mutual fund portfolio that focuses on these securities.

Dividend and equity income mutual funds — invest primarily in common shares that pay regular dividends to shareholders. While these cash payments are never guaranteed, companies that pay dividends tend to be large, financially secure corporations in mature industries. If you are looking for a tax-efficient source of income, dividend payments receive preferential tax treatment in Canada when compared to interest income from bonds and GICs. Mutual funds that provide access to broadly diversified portfolios of dividend-paying companies are an excellent way to invest in these equity securities without taking on undue risk.

Diversified income mutual funds — invest in a broad range of income-producing asset classes that may include the types of securities mentioned above. Diversified income mutual funds benefit from active portfolio management since the various income producing asset classes can perform differently under given market conditions. By investing in a broadly diversified portfolio of income-producing securities, you have the potential to obtain higher total returns than with bonds and GICs without having to place all your eggs in one basket.

Investing for income in today's markets can be a difficult task. However, by pooling your assets with other investors within an actively managed mutual fund, you get a ready-made diversified portfolio of income-oriented investments under the guidance of a professional portfolio manager who is actively involved in the markets. The portfolio manager carefully selects each security in the investment portfolio of the mutual fund and monitors these holdings on an ongoing basis.

Contact your advisor

Are you ready to adapt to these changing times by considering new sources of income? Mutual funds can be an effective way to help diversify your retirement income portfolio. Be sure to discuss the risk and return characteristics of income-oriented mutual funds with your advisor. ●



Scan this QR code with your smartphone to learn more. Don't have a QR code scanner app? Go to 2Dscan.com for a free download or see page 11 for details.

A photograph of a person walking away on a train track. The person is in the center background, slightly out of focus, wearing a dark jacket and light-colored pants. The train tracks run diagonally from the bottom left towards the top right. The background is heavily blurred, showing a building on the left and a body of water or open area on the right. The overall tone is somewhat somber and contemplative.

Is your
estate plan
on track?

HERE'S HOW TO GET STARTED

Everyone needs an estate plan — but it's something many people put off. Here's the number one reason to cross this important task off your to-do list: a comprehensive, up-to-date estate plan takes care of your loved ones by ensuring that your legacy is transferred according to your wishes. In addition, it can save your estate and heirs taxes and may even prevent court battles over your assets. So, where should you begin?

Ensure that you have a will and it is up-to-date

A will communicates your intentions and allows you — and not the government — to determine how your assets will be distributed upon your death. If you don't have a will or your will is determined to be invalid, you will be deemed to have died “intestate.” Ultimately, the court will appoint someone to administer and distribute your estate according to the laws of the province in which you reside, regardless of what your wishes are.

It may be tempting to fill out a “do-it-yourself” will, but engaging

an estate planning lawyer or notary can help you make sure you have considered all possible contingencies — essentially, that your will hasn't left any legal loopholes that could lead to legal headaches for your heirs. Getting your advisor involved too can help you identify and exploit the many tax-planning opportunities available in estate planning.

After you've written your will, be sure to keep it up-to-date. Revisit it after important life events, including births, marriages, divorces, deaths, when you start, buy or sell a business, as you build or inherit wealth and when you retire. It's worth reading

it over about once every five years to make sure it still reflects your intentions.

Also, discuss your will with your family. This helps to avoid surprises and can limit family conflicts in the future.

Choose the right people

Your will appoints an executor (or a liquidator in Quebec), who is responsible for a wide range of important duties including filing final tax returns, paying taxes, paying debts and distributing assets to beneficiaries or heirs.¹ It can be a time-consuming job for a family

¹ Beneficiaries of an estate are called heirs of an estate in Quebec.

Consider arranging your funeral and paying your funeral expenses in advance to help your family avoid making stressful decisions during a time of emotional upheaval.

member or close friend. Some people appoint a professional executor through a financial institution.

Beneficiaries or heirs, who inherit your assets, may be named in your will or directly on certain accounts. For instance, you can choose a beneficiary of your Registered Retirement Savings Plans (RRSPs) in all provinces except Quebec, and a beneficiary or heir of your annuity and segregated fund contracts in all provinces including Quebec. When choosing beneficiaries or heirs, it is important to consider the tax consequences. As a simple example, it may make sense to leave your RRSP to your spouse, who can take advantage of a tax-free rollover into his or her own RRSP, and non-registered investment assets to other beneficiaries or heirs.

Be sure to set up Powers of Attorney.² A Power of Attorney for Property covers your financial affairs and a Power of Attorney for Personal Care covers your personal decisions related to such things as housing and health care. The individual(s) you

choose as your Attorney will have the legal right to act on your behalf. Choose people you trust, and have an in-depth conversation with them so you can be sure they completely understand your preferences.³

Tie up loose ends

Here are a few other things to consider as you make important decisions about your estate:

- Consider arranging your funeral and paying your funeral expenses in advance to help your family avoid making stressful decisions during a time of emotional upheaval
- Ensure that there will be enough liquid assets on hand to help family members cover any short-term or unforeseen costs
- Work with an accountant to estimate how much tax will be payable by your estate after your death and outline in your will how you want these expenses to be covered

- If you do not need certain assets to fund your day-to-day expenses, consider giving them away before you die; done strategically, this can be a tax-saving strategy
- Evaluate whether you have sufficient insurance coverage; if you have extra income, discuss additional estate planning insurance strategies with your advisor
- All provinces except Quebec charge a fee or tax to probate a will — an administrative procedure whereby the court confirms the validity of the will and the authority of the executor — that is based on the value of your estate and will vary from province to province; discuss strategies for reducing these fees with your advisor

Speak with your advisor

An estate plan ensures your loved ones are taken care of and your legacy is transferred to your beneficiaries or heirs as you would like. It can help you protect your beneficiaries or heirs, avoid probate fees⁴ or taxes, unnecessary costs and other delays, and reduce taxes.

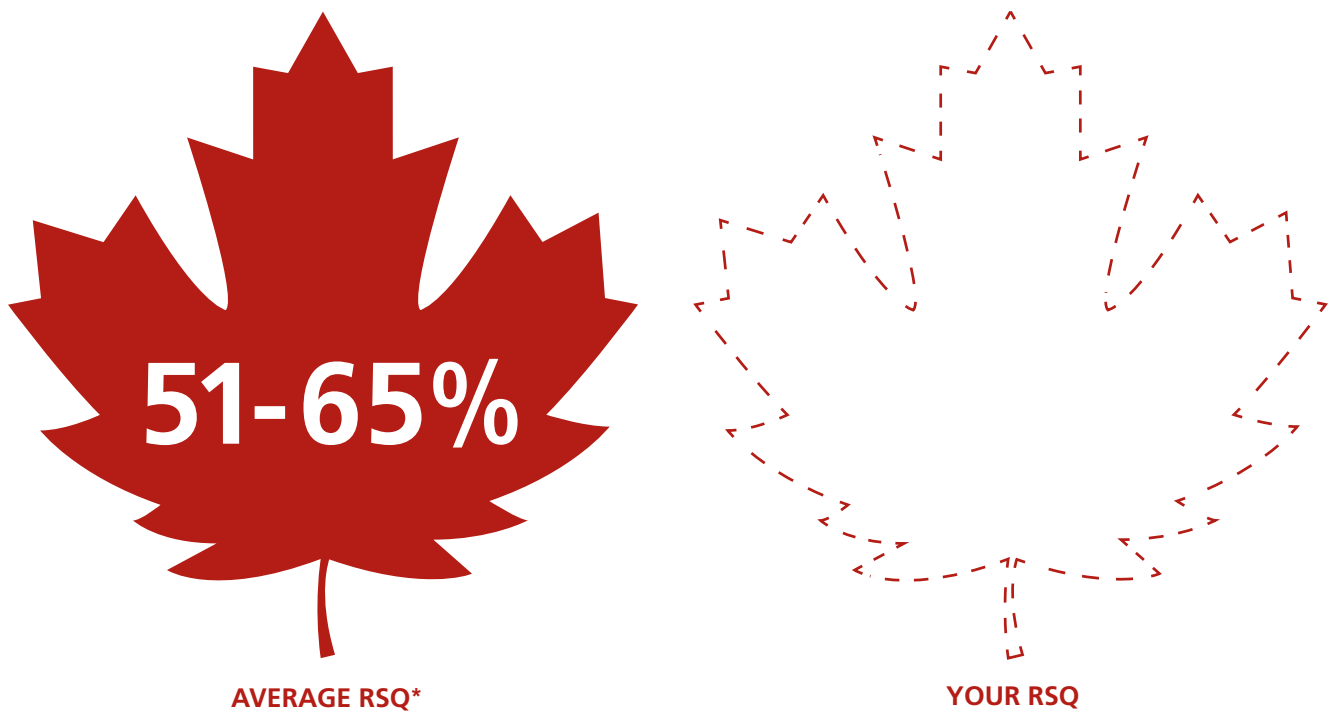
Are you ready to get started? Speak with your advisor today to help get your estate plan on track. He or she may have a ready-made network of estate planning specialists, including lawyers and accountants, who are well positioned to advise you on your own estate plan. ●

² In Quebec, set up Powers of Attorney and a Mandate Given in Anticipation of Incapacity.

³ In Quebec, Power of Attorney only applies for people who are not incapacitated. For individuals who are incapacitated, a Mandate Given in Anticipation of Incapacity is required. A court must declare that the individual is incapacitated before this can take effect.

⁴ Probate is not applicable in Quebec.

How does **your** retirement plan compare to other Canadians?*



Give your retirement plan a number and see where you stand.

Using Manulife's industry-first Product Allocation Investor Calculator, you can measure how likely your retirement income will last. This measure is called the Retirement Sustainability Quotient, also known as RSQ. The closer your RSQ is to 100 per cent the more likely your retirement income will last for life.

To see how you compare, visit **helpmysavingslast.ca** and then contact your advisor to find out how they can help improve your RSQ with a Product Allocation strategy.



*Results are based on responses provided in the RSQ calculation exercise found on helpmysavingslast.ca. The Product Allocation Investor Calculator is for Canadian residents only. Manulife, Manulife Financial, the Manulife Financial For Your Future logo, Product Allocation from Manulife, the Block Design, the Four Cubes Design, and Strong Reliable Trustworthy Forward-thinking are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license. TMK1181E

**Are you in your 50s
and carrying debt?**



You're not alone

Did you always imagine you would be debt-free by your 50s? Are you surprised, and disappointed, that you're not? You're not alone. A recent consumer debt survey found that Canadians in their 50s have an average of \$108,675 in household debt.¹

Your 40s can be expensive years. You may be paying down a mortgage, maintaining a home, saving for retirement and your children's education — not to mention keeping up with everyday expenses. On top of this, you may have hit a few bumps along the financial planning road — a job loss, divorce, an illness or death in the family. It's not surprising that many people in their 50s are struggling with outstanding debt.

The good news is that a lot can be done in five to 10 years, especially

with changes to how you structure and manage your debt.

Common debt and saving goals for people in their 50s

Does it sometimes feel like you're fighting an uphill battle against debt? Many of your friends and colleagues are also likely trying to reduce debt while saving for retirement, building a rainy day/emergency fund, helping children now and by establishing legacies for them, and/or maintaining the assets they've accumulated.

The recent debt survey¹ found that Canadians are clearly concerned that the debt they're carrying today could affect their retirement. Among respondents in their 50s who indicated they have debt, only one in three expect to be debt-free before they turn 60. While most people expect to retire in their early 60s, more than half of those surveyed indicated that, should they reach their planned retirement age and still have debt, they will continue to work until their debt is gone.

¹ This Manulife Bank of Canada poll surveyed 2,003 Canadian homeowners between age 30 and 59 with household income of more than \$50,000. It was conducted online by Research House between March 5 and March 16, 2012.

Strategies to reduce your debt

Consolidate debt

It's not uncommon for people in their 50s to have multiple sources of debt. Through debt consolidation, you may be able to secure a lower interest rate and pay down debt sooner. One particularly effective product for debt consolidation is the all-in-one account. This type of account allows you to combine your mortgage, personal lines of credit and any other debts you may have at one low, competitive interest rate. By combining your debt and savings in a single account, your savings could reduce the overall debt balance and interest payments.

Evaluate the price versus cost of big-ticket items

Some people don't fully understand how much debt costs — and different types of debt can carry widely different interest rates. For example, credit card debt is typically among the most expensive and can have an

interest rate of 20 per cent or more.

On the other hand, secured debt, such as a mortgage, often has a much lower rate of interest. It's important to understand how much your different forms of financing really cost and how much extra in interest costs you wind up paying on top of the purchase price of big-ticket items. For example, the price of a new dining room set may be \$3,000, but if you put it on your credit card at 18 per cent and don't pay it down for six months, it would end up costing you \$3,280.

Consider downsizing early

Do you feel house rich and cash poor? If your children have left home and you no longer need the extra space, you may want to consider moving to a smaller home. By downsizing early you could save in interest, property taxes, stress and upkeep, pay down debt and put money away for retirement.

Work with a financial professional

Across all age groups surveyed,

The good news is that a lot can be done in five to 10 years, especially with changes to how you structure and manage your debt.

only one-third of Canadians seek professional advice when it comes to debt and cash flow management. However, research shows that nearly three in four people who get debt and cash flow advice from an advisor have a plan for becoming debt-free.

Your advisor can help you implement strategies to address the particular challenges that you may be facing in the years leading up to retirement. ●

THE POWER OF AN ALL-IN-ONE ACCOUNT

There are three major advantages an all-in-one account has over multiple savings accounts and multiple loans:

Enables you to consolidate all of your debts into a single loan with an available balance of as much as 80 per cent of the appraised value of your home.

Puts your savings to work by allowing you to use your savings and income to reduce your debt, while leaving you with the flexibility to withdraw money when you need it (up to your borrowing limit). The money you could save in interest by using your savings to reduce your debt generally exceeds the money you could have earned in a savings account or money market fund.

Allows your income to reduce debt the moment you make a deposit to your account; every dollar you keep in the account after covering monthly expenses works to pay down debt — a powerful motivator to save instead of spend.



Ignoring your debt won't make it go away.

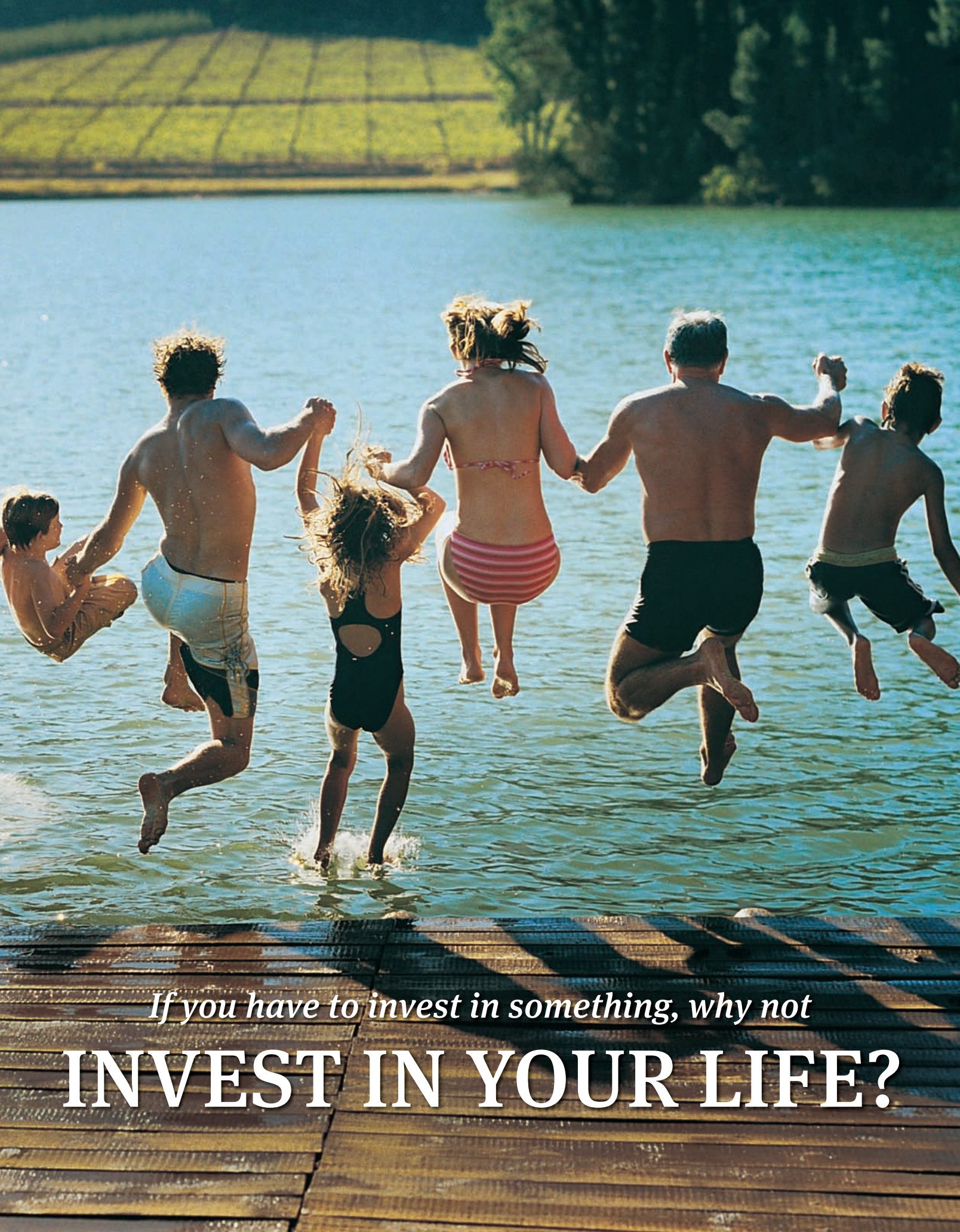
Most people have debt and ignoring it won't make it go away. At Manulife Bank, we have created a solution to help Canadians manage their debt more effectively, allowing them to get out of debt sooner and potentially saving thousands in interest.

Check out **manulifeone.ca** today to find out more.



 **Manulife Bank**
For your future™

Manulife One is offered through Manulife Bank of Canada. Individual savings will vary and are not guaranteed. To see an explanation with detailed financial information, visit manulifeone.ca. Manulife, Manulife Bank, the Manulife Bank For Your Future logo, the Block Design, Manulife One and the One logo, the Four Cubes Design, and Strong Reliable Trustworthy Forward-thinking, are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.



If you have to invest in something, why not

INVEST IN YOUR LIFE?

DISCOVER A FINANCIAL PLANNING STRATEGY DESIGNED TO INCREASE YOUR ESTATE AND REDUCE THE TAX YOU PAY

There's an old saying that it's not the years in your life that count, it's the life in your years. You've worked hard to make the most of your life and, as you get closer to retirement, you're probably starting to realize that your financial needs and priorities are going to change. You're moving into a new phase of your life.

You may have heard about the different life stages of financial planning. You've already lived most of them — you began as a starter and moved your way through builder and accumulator. Now you're in the preserving stage.

What does this mean? You're not trying to build your wealth anymore. Now you're structuring your affairs to pass on your wealth to the people you love or the charities you care about. Phrased another way, you're working to keep your wealth for future generations. You're also putting plans in place to make sure as much money as possible goes where you want it to go.

Meet Steve and Joanne

They're both in their late 50s and have been married for 33 years. They have three kids and five grandchildren. They love their family and they like nothing better than spending time together.

Steve is an accountant and Joanne, a retired teacher, is very active in their church. She also volunteers at the children's hospital twice a month. Steve loves what he does for a living, but he plans to retire in three years. Steve and Joanne have enjoyed their life to the fullest and they have a plan to ensure their kids, grandchildren and the church are well looked after when they die.

But are Steve and Joanne leaving the most they can? Is there a way for them to leave more?

What Steve and Joanne don't realize is their plan's success depends on their investments' rate of return — or how much their investments earn. It will also be affected by the fact that any income they earn is taxable. It's the "after-tax" rate of return that ultimately determines how much they can leave to those they love.

Steve and Joanne have options

Steve and Joanne want to make sure their plan maximizes the gift they give to their family and their favourite charities.

They have two options:

Option 1: They can continue with their current strategy and pay tax on the income their savings earn.

Option 2: They can invest their money in a financial planning strategy called Estate Bond®.

The Estate Bond strategy moves their money into a life insurance policy with cash values. Since they don't have to pay tax on the money they hold within a life insurance policy, they're protecting their money now. And, if they name their loved ones and/or a charity as the beneficiaries of the policy, when they die, the beneficiaries receive the money tax-free.

By using Estate Bond, Joanne and Steve's money will grow tax-free within a life insurance policy and the amount left for their loved ones will be more than if they left their money in a taxable investment.

Here's how it works

Steve and Joanne buy a life insurance policy that allows them to accumulate money tax-free within it. They name their children, grandchildren and their church as beneficiaries. Their policy also allows them to put extra money into it. That money, too, earns interest, and the amount they plan to leave their loved ones grows and grows.

Here's an example of the Estate Bond financial planning strategy:

Estate Bond		Another alternative investment			
Before-tax redemption value (\$)	Net estate value (\$)	Year	Annual interest (\$)	Tax payable (\$)	Net estate value (\$)
4,164	509,627	1	1,000	450	20,550
31,054	565,296	5	5,283	2,377	108,559
126,816	671,368	10	11,333	5,100	232,888
191,477	640,268	15	12,979	5,841	266,721
405,570	692,826	25	17,024	7,661	349,845
632,731	846,107	35	22,330	10,048	458,874

Numbers based on a female non-smoker, age 50, with a personal tax rate of 45 per cent. Estate Bond uses Manulife's Performax Gold with a Performance Credit rate of current less 1 per cent. The initial death benefit is \$500,000 with \$20,000 payments per year for 10 years. The alternative investment uses a 5% before-tax investment rate and an after-tax rate of 2.75 per cent.

It seems simple, doesn't it? Here are some reasons why this strategy works so well for people like Steve and Joanne:

- It provides life insurance protection that increases the estate
- It creates a cash value that grows on a tax-deferred basis
- It reduces how much tax you pay while you're living

With Estate Bond, you move your money from an investment where you have to pay tax to a life insurance policy that offers tax-advantaged investing within it. This increases the

amount you can leave to your loved ones or favourite charities.

Is Estate Bond right for you?

The Estate Bond strategy isn't right for everyone. Take a look at these guidelines and see if it will work for you.

Are you:

- Living in Canada and paying taxes
- Healthy
- 45 or older
- Wanting to leave money for your heirs or a favourite charity
- Affluent, with extra money to invest
- Comfortable with long-term planning strategies

Talk to your advisor

If you're starting to plan for your retirement, find out how the Estate Bond concept can work for you. Talk to your advisor for more information. ●

WHAT IS AN EXEMPT LIFE INSURANCE POLICY?

Almost all the life insurance you can buy in Canada qualifies as "exempt" under the terms of the *Canadian Income Tax Act*. This means that if you buy an insurance policy that allows money to accumulate within it, the money can grow without the policy owner having to pay tax on it.

The tax benefits continue after you die. You can name a person, people or a charity as the beneficiaries of the policy. They do not have to pay tax on any money they receive from your policy.



If you can't cover the bills, who will?

Synergy® from Manulife is an affordable 3-in-1 insurance solution that provides life, disability and critical illness coverage to help protect your family should something happen to you.

**Discover Synergy today. Talk to an advisor
or visit manulifesynergy.ca**

Synergy. Only from Manulife.



 **Manulife Financial**
| For your future™

125 YEARS

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Fight the clawbacks

Reduce line 234 to maximize income in retirement

Canadians age 65 and older may qualify for many valuable government benefits — Old Age Security and the Age Credit are examples. However, if the income reported on line 234 of your federal income tax return is too high, these benefits can be clawed back and, in some cases, forfeited altogether. This can result in the loss of thousands of dollars in benefits.

A look at the issue and the opportunities

Avoiding clawbacks involves more than simply creating tax credits — which reduce taxes owing. It is

important to look at ways to reduce reported income. However, when retirement arrives, most of the familiar deductions — such as Registered Retirement Savings Plan

(RRSP) contributions, pension plan contributions, child care expenses and union dues — are no longer available.

Here are two solutions for achieving this goal

1. Carefully structure your non-registered income

Active management of income-generating investments can significantly affect the way your income is taxed, and may help reduce clawbacks. The example based on \$10,000 of non-registered investment income, shows the impact of different types of investment income.

As you can see in the chart, dividend income can be the least “income-friendly” to retirees because the grossed-up amount is reported on your tax return. Although the dividend tax credit provides

Consider the amount reported on your tax return

Income of \$10,000

Source	% Included on tax return	\$ Amount reported
Eligible dividends ¹	138	13,800
GIC/bonds	100	10,000
Capital gains	50	5,000
Income fund with return of capital (ROC)	40 ²	4,000
Prescribed life annuity	15 ³	1,500
Mutual/segregated fund withdrawals	2.5 ⁴	250
Series T mutual fund	0 ⁵	0

¹Dividends paid by public corporations qualify as “eligible dividends” and are included at 138 per cent for 2012 and beyond. Non-eligible dividends are included at 125 per cent. ²Taxable percentage will vary depending on the fund and may vary from year to year. ³Taxable percentage approximated for a 65-year-old female. ⁴Taxable percentage in year one; grows to 20 per cent in year 10. Assumes a five per cent rate of return on an investment of \$200,000. Does not take into account year-end distributions or allocations. ⁵Income is considered ROC until the adjusted cost base (ACB) falls to zero, at which point it is considered capital gains. Does not take into account year-end distributions.



preferential tax treatment, the grossed-up amount exaggerates the total income on line 234.

To maximize benefits and retirement income, you should identify investments that could be restructured for more favourable tax treatment. Examples include exploring the advantages of prescribed annuities, withdrawals from a mutual fund or segregated fund contract, or distributions from a Series T mutual fund.

2. Create dollar-for-dollar tax deductions

Although most of the familiar deductions are no longer available in retirement, there are still appealing options to consider in order to generate deductions to reduce line 234 income.

RRSP top-up: If you have unused RRSP room, you could make a final lump-sum contribution prior to converting your RRSP to a Registered Retirement Income Fund (RRIF). The resulting deductions can then be spread over several years.

Borrow to invest: You can create a tax deduction by using RRIF or other discretionary income to pay the interest on funds borrowed to invest. This strategy is ideal for investors with a higher risk tolerance and with discretionary income not needed for living expenses.

Speak to your advisor

If you are at or near retirement and would like more information about reducing line 234 of your federal income tax return in order to avoid clawbacks and maximize your government benefits, contact your advisor. ●



Scan this QR code with your smartphone to learn more. Don't have a QR code scanner app? Go to 2Dscan.com for a free download or see page 11 for details.

Borrowing to invest is appropriate only for investors with higher risk tolerance. You should be fully aware of the risks and benefits associated with investment loans since losses as well as gains may be magnified. Your investment will vary and is not guaranteed. However, you must meet your loan and income tax obligations and repay your loan in full. Please ensure you read the terms of your loan agreement and the investment details for important information. The dealer and advisor are responsible for determining the appropriateness of investments for their clients and informing them of the risks associated with borrowing to invest.

EXERCISE YOUR BRAIN! Solutions (from page 35)

Puzzle by websudoku.com

2	8	9	5	7	4	1	6	3
7	3	5	6	1	8	2	9	4
6	1	4	3	2	9	8	7	5
4	7	3	8	5	2	6	1	9
9	2	1	4	6	7	3	5	8
5	6	8	1	9	3	7	4	2
8	4	6	9	3	1	5	2	7
3	5	2	7	4	6	9	8	1
1	9	7	2	8	5	4	3	6

Medium

Puzzle by websudoku.com

6	7	1	5	8	9	4	2	3
5	9	4	3	2	7	1	6	8
2	8	3	4	1	6	5	9	7
1	4	2	7	5	8	6	3	9
8	5	7	9	6	3	2	4	1
9	3	6	2	4	1	8	7	5
7	6	5	8	3	4	9	1	2
4	2	9	1	7	5	3	8	6
3	1	8	6	9	2	7	5	4

Easy

Congratulations to our **Making the Most of Retirement** contest winners!

In the fall 2011 issue of *Solut!ons*, we asked you to tell us how you are making the most of your retirement. We received photos and stories from across Canada. Congratulations to our contest winners James Ahlan and Donna and Garry Holland!



JAMES AHLAN
Inle Lake, Myanmar, 2011

James Ahlan

James and his wife, Margaret, retired four years ago — James from his career at Ontario Power Generation Inc. and Margaret from nursing. “The transition to retirement was easy. Within a month of my retirement, we paid a visit to relatives in Hong Kong, attended our niece’s wedding in Singapore and then went on an adventure trip in Indonesia. We stay inspired to make the most of our retirement life,” James says.

“Travelling has always been part of

our retirement plan,” he adds. “There is just so much to see and experience in this world. Our target is to see as many UNESCO World Heritage Sites as possible. We have hit 30 already. To budget for this hobby, we have set up a good financial plan and purchased adequate life insurance products.”

James’ winning photo submission was taken from the verandah of a bungalow built on stilts at the edge of Inle Lake in Myanmar (formerly Burma). “The reflection of the stilted

wooden bridge grew more intense in colour as the sun rose behind the mountains. Then, out of the corner of my eye, I saw a lady silently paddling by. We smiled. At that moment, I felt the joy of living on my own terms. As she paddled away from the resort’s dock towards her floating village, I knew I had shared a small but completely genuine connection with her.”



DONNA AND GARRY HOLLAND
South Dakota, USA, 2011



Donna and Garry Holland

Donna and Garry are retired — she from a pharmacy and he from an oil refinery. Garry’s retirement came earlier than expected when the oil refinery closed down, but they were able to adjust their retirement plan accordingly. “Life changes and you have to change with it,” Donna explains. “Thanks to our Manulife advisor, we had a lot of things already in motion to accommodate us.” As a result, they were able to realize their retirement dreams of travel right away.

“We immediately took a two-month bike trip to Alaska. It was an incredible trip and the scenery was awesome, the wildlife huge,” Donna says. “Since then, we have been to Cuba three times, the Northwest Territories three times... lots of time at a friend’s cottage, lots of time visiting ‘old’ acquaintances. This year, we took almost three weeks to tour South Dakota... We were again awed by the changing scenery and beauty, but almost melted in the desert heat!”

Why do they enjoy travelling so much? “We’ve learned an awful lot about Canada and the United States. The diversity is incredible in this country. And the people — wonderful people to meet and talk to — and different ways of life,” Donna adds. “People out there may think, ‘I don’t have a fortune so I can’t travel.’ But you can. We do it on a motorcycle with a trailer. It saves us a lot of money so we can go for a longer period of time and see more.” ●

A lush garden scene featuring a white wooden swing bench hanging from a gazebo structure. The bench is surrounded by vibrant pink and purple flowers. A stone path leads through a green lawn towards the bench. The background shows a body of water and distant hills.

Ready to retire?

BE PREPARED FOR THE CHANGES AHEAD

After the goodbye lunch. After the toasts and the hugs. When you clean out your desk, turn out the lights and close your office door for the very last time, will you be ready to retire?

Retirement means change, and change can be stressful. One key to enjoying life after work may be to consider ahead of time what will change and how you will adapt to make the most of your new lifestyle.

No more 9 to 5

The most obvious change, and it starts the very first day of your retirement, is your new schedule. You may be accustomed to getting up with an alarm clock, rushing out of the house and embarking on a long commute to work. Suddenly, an empty day without any of your old routines looms ahead of you. How will you fill all those hours?

“Renew your interest in the hobbies and activities you enjoy. You now have time to play — enjoy!” advises the Canadian Mental Health Association (CMHA).¹ You probably have a long list of things you wanted to do, but there never seemed to be the time. Get out in the garden. Register for a cooking class. Turn digital photos into a printed album. Add fun to every retirement day.

Spending, not saving

Financially speaking, retirement is often the moment when you stop

accumulating assets and start drawing an income from your investments. You may be reluctant to spend your savings, but your advisor can help you make a plan for sustainable income in retirement.

Once you’ve worked out what you can afford, cut yourself some slack. Treat yourself to the painting you’ve been eyeing for the living room. Invest in more comfortable chairs for your deck. Book a trip. After all, the CMHA says, “There are probably places you have wanted to see all your life. The early years of your retirement can be the ideal time to become a nomad for a while.”¹

On the homefront

Without a job to go to, you will probably be spending a lot more time at home. If you’re married, take advantage of the chance to enjoy a morning coffee together, go for long walks and tackle minor household fixes as a couple. If you’re single, you may enjoy the solitude — but mix it up with plenty of outings.

Arrange regular golf, tennis, bowling or other active get-togethers with friends. Start a dinner club, trying out a new restaurant once a month with loved ones. Take your

grandchildren to see the sights of your town, one weekend afternoon at a time. “Enrich your life by renewing contacts with neglected family members and old friends,” the CMHA suggests. “All too often, our work gets in the way of our relationships and those we care about.”¹

Finding a new focus

More than half of Canadians surveyed in a recent poll — 52 per cent — expect to work past the age of retirement.² For many people, retiring from a full-time job is the start of a new career as they take on other full-time or part-time jobs or become entrepreneurs. Others find fulfillment in charity work.

“Make a list of your abilities and skills. The skills and experience you have gained from a lifetime of work may help you succeed in a small business or do valuable volunteer work for a favourite charity,” says the CMHA.¹

There’s no absolute prescription for satisfaction in retirement, but preparing yourself by thinking about the changes that lie ahead can help you create the lifestyle you want. ●

¹ www.cmha.ca/mental_health/aging-and-mental-health/#.T8Y_7I65Ld4

² www.newswire.ca/en/story/917307/survey-says-canadian-employees-expect-to-work-beyond-retirement-age



You've been asked to be an executor —

now what?

It's not the kind of question that comes up every day. But if you're faced with it, the answer may not be as obvious as you think.

If the person asking is a close friend or family member, your first reaction might be an immediate and obliging, “Yes, of course.” You might also feel flattered — and rightly so, because the person asking is confident you're the best person they know for the job. They have likely looked at several candidates and decided you have a good head on your shoulders.

Before you accept though, you should know what you're facing. Your willingness to be someone's executor should depend on how comfortable you are at handling a variety of sometimes complex financial transactions, and how much time you have for the task.

An executor can expect to take on the following key responsibilities:

- Locate the will and obtain probate¹
- Arrange the funeral
- Obtain funeral director's statement of death or apply for provincial death certificate
- Establish an estate account and freeze existing accounts
- Provide money for dependents while the estate is being organized and complete the estate administration
- Identify and value all assets, and prepare a statement of assets and liabilities
- File claims for life insurance and pension buyouts
- Confirm benefits payable for all financial, pension and RRSP/RRIF accounts
- Contact Canada Pension or Quebec Pension Plan to claim any death or survivor's benefits
- Contact Service Canada to cancel Social Insurance Number
- Settle credit card balances and cancel cards
- Redirect mail, cancel driver's licence, telephone, memberships and subscriptions and notify utilities for final reading and billing
- Advertise for creditors and pay all debts
- Convert assets to cash as required, and distribute assets as instructed by the will
- File final tax returns and pay taxes due, usually in consultation with an accountant or lawyer. If tax is not remitted properly, there are provisions in the *Canada Income Tax Act* that can make the executor personally liable

Consider the list and ask yourself if you're the right person for the job. Keep in mind that the time involved in executing someone's will can vary tremendously — from just a few weeks to a year or longer depending on the complexities of the estate and how much attention that person paid to updating his or her will over the years.

If there are trusts to administer, beneficiaries to track down, assets that need converting to cash, and other sundry complications, the time commitment can be tremendous. When matters are more straightforward, it will be more manageable.

If you're daunted by the prospect of the work involved, say no graciously and be honest about your reasons — and say it right away, so the person asking can move on to the next person on his or her list. There should be no hard feelings, because the person looking for an executor will benefit from making the right choice and should appreciate your directness. ●

¹ Probate is not applicable in Quebec. Residents of Quebec are required to take an inventory of the estate. If the will left behind is not in the notarial form, the executor must initiate the procedure to have it verified by the Superior Court.

FUN & FOOD

Exercise your brain!

Sudoku puzzles are a great daily workout for your brain. They're fun, challenging and addictive — and good for you too! Here are two Sudoku puzzles — one easy and one at a medium level of difficulty.

To solve: Enter digits from 1 to 9 in the blank spaces. Every row, every column and every 3 x 3 square must contain one of each digit. Try to do it without peeking, but if you need help the solutions are on page 29.

Easy

	1			9		7		4
4			1			3		
	6			3	4	9		
	3			4				
8	5	7	9	6	3	2	4	1
				5			3	
		3	4	1			9	
		4			7			8
6		1		8			2	

Puzzle by websudoku.com

Medium

			2	8			3	6
3							9	8
8				3				7
	6		1					
	2	1	4	6	7	3	5	
					2		1	
6				2				5
	3	5						4
2	8			7	4			

Puzzle by websudoku.com

Baked artisan cheese with local greenhouse salsa

Ingredients for baked artisan cheese

- 2 tbsp (30 ml) extra virgin olive oil
- 1 pound (454 g) artisan cheese, wax removed and cut into ½-inch slices
- 8 fresh herb sprigs: 2 rosemary, 2 sage, 2 thyme and 2 parsley

Method for baked artisan cheese

1. Preheat oven to 375°F/190°C
2. Pour the extra virgin olive oil into a 10-inch baking dish
3. Arrange the cheese in an even layer on top of the oil and scatter the fresh herb sprigs on top
4. Bake until the cheese is soft and gooey, about 25 minutes
5. Serve immediately with pitas, toasted baguettes and fresh salsa

Ingredients for salsa

- 2 large, ripe local greenhouse tomatoes
- 1–2 green jalapeño peppers, roasted, peeled, seeded and minced*
- ½ tsp (3 g) salt
- 2 tbsp (30 g) fresh cilantro, minced
- 1 local greenhouse yellow bell pepper, finely diced
- 2 tsp (10 ml) freshly squeezed lime juice

Method for salsa

1. Peel, seed and chop the local greenhouse tomatoes
2. In a mixing bowl, stir in the local greenhouse tomatoes, peppers, cilantro, lime juice and salt
3. Chill and serve when needed

*Roasting method: Coat peppers with a light layer of vegetable oil. Rotate peppers over open flame, either on a bbq or gas stove, until peppers turn black and blister. If an open flame isn't available, a broiler can be used. Slice the pepper in half and remove the core, seeds and membrane. On a broiler plate, place peppers open side down and broil until skins are black and blistered. Cover peppers in a bowl and allow to rest for 15 minutes. Peel the black skin off.

This recipe was printed with permission from the Ontario Greenhouse Vegetable Growers (ontariogreenhouse.com).



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