



# Solutions

for financial planning • Manulife Investments

Fall Edition 2011

## RETIRE YOUR WORRIES

Is guaranteed income  
part of your plan?

## TAKE THE EMOTION OUT OF INVESTING

Strategies to help  
minimize the cycle of  
emotional investing



## 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.

## When it comes to retirement, it's better to be prepared

Whether you have been thinking about retirement for a long time or are just starting to build a financial plan, advisors across Canada have a wealth of resources at their fingertips that can provide you with the information you need. This edition of *Solut!ons* focuses on preparing for retirement so you can feel more certain about how it may unfold.

With recent changes in the marketplace, many Canadians do not have a source of guaranteed income for their retirement, exposing them to the risk of outliving their retirement savings. As the article *Retire your worries* reveals, the good news is there are a number of new guaranteed-income products available that can help you fill this important void.

*Take the emotion out of investing* reminds us that reacting to the ups and downs of the markets is only human. Remember to keep your long-term investment goals in mind before you react to changes in the market. You can discover another way to feel more confident about your financial plan in the article *Is retirement in your retirement plan?*

For more than 120 years, clients have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant decisions. After reading this edition of *Solut!ons*, I invite you to speak with your advisor to discuss your plans for retirement. When you combine professional advice from your advisor with practical *Solut!ons* from Manulife, you may be surprised to learn that being prepared financially may be a lot easier than you think.

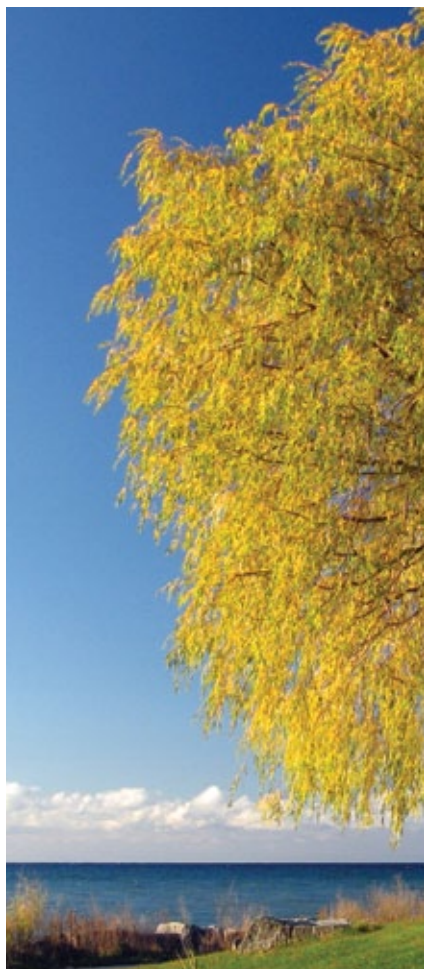
Sincerely,

**J. Roy Firth**, Executive Vice President

Individual Wealth Management, Manulife Financial



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A full-page background image featuring a tranquil sunset over a body of water. The sun is low on the horizon, casting a warm, golden glow across the sky and reflecting it on the water's surface. The sky is filled with soft, white and grey clouds. In the foreground, a wooden canoe is positioned on the water, its interior visible. The left side of the image shows the dark silhouettes of evergreen trees. The overall mood is peaceful and contemplative.

RETIRE YOUR WORRIES

## IS GUARANTEED INCOME PART OF YOUR PLAN?

Nearly 14 million Canadians will be retiring over the next 20 years.<sup>1</sup> If you are one of them, having a financial plan that includes guaranteed income can help you live your dreams in retirement.

**N**o matter how much you've saved, and despite the excitement that comes from knowing your working days may be behind you, it's important to ensure that you are financially prepared for a long retirement. Yet a recent study revealed that almost 40 per cent of retirees are concerned they do not have enough money to do what they want in their retirement,<sup>2</sup> and a further 51 per cent of households are at risk of being unable to maintain their standard of living in retirement.<sup>3</sup>

Your retirement income strategy should ensure that you do not outlive your retirement income and that you are able to adapt to unexpected expenses along the way – without the constant worry of running out of money.

### RETIREMENT RISKS

As you approach your retirement, it's important to understand the risks that may affect you so you can take appropriate steps to help

protect your retirement savings. With the decline in defined benefit pension plans (DB pension plans), the responsibility for managing these risks continues to shift to individual Canadians and their advisors. Today, the risks of outliving your savings, dealing with market volatility and coping with inflation are often yours to manage – and each of these risks can affect your success at achieving your retirement dreams.

### LONGEVITY

A healthy couple now 65 years old has a 94 per cent chance of one partner living to age 80 and a 63 per cent chance of one partner living to age 90.<sup>4</sup> It's great news that Canadians are living longer than ever before. However, the challenge we now face is that we may need to fund our retirement plans for much longer.

This means Canadians have a greater need to ensure that their retirement income can last many

more years than they may have anticipated. And, uncertain about how much they need to save and how long they need their money to last, many worry about outliving their retirement income. Will you have enough money to see you through? Are you spending too much too soon? Maybe you shouldn't take that vacation? Maybe you should wait one more year – just in case you need the money down the road? These are the types of concerns that can stand in the way of enjoying your retirement to the fullest.

### MARKET VOLATILITY

Who can forget the global financial crisis in 2008 and 2009 and the recent market turmoil? Markets are unpredictable and, at times, extremely volatile. Unpredictable market conditions are a significant concern to people at or nearing retirement. Adverse markets can have a very negative impact on your retirement lifestyle





and, because of this, market volatility is a risk that needs to be prudently managed.

A decline in the stock market or a fall in interest rates can dramatically affect the amount of income available to you in retirement, as well as your ability to make savings last as long as you need them to. Poor market returns early in your retirement can mean fewer years of retirement income, while good market returns early on can give you more years of income. The trouble is, it's impossible to know whether the markets will be up or down at the time you retire. A downturn in the markets early in your retirement could reduce your savings to a level that will not provide you with sufficient retirement income, and there may not be enough time for you to recover your losses.

Your retirement income plan should include a solution that can help protect you from the risk of market volatility, ensuring that you have a predictable and stable source of income.

## **INFLATION**

Inflation can also have a major impact on your retirement savings – and nearly two-thirds of Canadians are concerned that their retirement income may not keep up with inflation.<sup>5</sup>

Ignoring the effects of inflation can dramatically affect your ability to fund your retirement plans, since inflation can erode the value of your savings. For example, if the inflation rate is approximately three per cent, what you can buy for \$1,000 today will only buy you about \$400 worth of goods in 30 years. To look at it another way, a \$100 bag of groceries today will cost you about \$180 in 20 years and just over \$240 in 30 years.

It's important to help ensure that your savings can grow and stay ahead of inflation.

## **THE SHIFT FROM DEFINED BENEFIT TO DEFINED CONTRIBUTION PLANS**

Previous generations didn't have to worry so much about their

retirement income. In general, people worked for the same employer throughout their career, and many companies offered DB pension plans that provided retirees with a guaranteed stream of income throughout retirement amounting to perhaps 70 per cent of their pre-retirement salary. Unfortunately, these guaranteed company pension plans are now much less common. In fact, fewer than one in four working Canadians have them.<sup>6</sup> That's down from nearly half the population just a couple of decades ago.

The reason for the DB pension plan's decline is that many companies can no longer afford to fund an employee's retirement this way. With people living longer, due largely to medical advances, the high costs associated with DB pension plans have forced many companies to shift the financial risk from their balance sheet to their employees. Companies have achieved this by gradually replacing DB pension plans with less costly defined contribution plans (DC pension plans).



In a DC pension plan, employees invest their pensions in market-based investments. The employer often provides matching contributions. That said, in this type of plan the value of the employee's retirement nest egg depends almost exclusively on the performance of the markets leading up to and during retirement. Despite the risk of market volatility, DC pension plans can be great retirement savings vehicles, and can be offered at a much lower cost because they do not promise a guaranteed income in retirement.

### **THE RETIREMENT INCOME CRISIS**

If you are one of the many Canadians approaching retirement, now is the time to make sure your retirement income plan is on track.

If you don't have a DB pension plan, it is important to make sure you have another source of guaranteed income. What's alarming is that nearly half of Canadians have indicated they don't have a plan to turn their retirement savings into

an income stream.<sup>5</sup> A dependable stream of income can help you adapt to unforeseen expenses and worry less about running out of money. And, after all, when another recent survey asked Canadians what factors were extremely important to achieve a happy retirement, the number one response for 74 per cent of them was not having to worry about money.<sup>2</sup>

### **THE VALUE OF A GUARANTEED INCOME SOLUTION**

To illustrate the importance of guaranteed income in retirement, let's look at two people in different situations.

Jane is a 56-year-old teacher in good health. She leads an active lifestyle, spending much of her free time golfing and travelling. In retirement, Jane plans to stay active and travel even more. She is one of the lucky few with a DB pension plan, so she knows with certainty what her income will be throughout her retirement. With

the advantage of that dependable income, Jane doesn't worry about the markets or the possibility of a future financial crisis, because neither will affect the money she will have available to her after she retires.

Jane's friend Betty's circumstances are quite different. Betty is 55 and owns a small flower shop. Her retirement dreams are similar to Jane's, but Betty does not have a guaranteed pension plan. Until a few years ago, Betty was feeling good about her retirement savings – she has been investing on a regular basis and has seen her nest egg grow. With the recent market turmoil, however, her confidence is shaken and she now worries constantly about the daily ups and downs that affect her portfolio. Overall, she is concerned about her savings and whether she will have enough to fund a long and active retirement. Betty wishes she had the security and peace of mind that come with guaranteed retirement income.



## **CONVERT A PORTION OF YOUR SAVINGS INTO A GUARANTEED INCOME STREAM**

One solution for people in Betty's situation is to convert a portion of their retirement savings into a source of guaranteed income. This helps to ensure that you'll have a predictable, steady retirement income stream. It's an important part of a balanced retirement income strategy that can cover your basic living expenses or supplement an existing pension and retirement savings.

A number of products currently offer guaranteed income to Canadians. These include annuities and guaranteed minimum withdrawal benefit (GMWB)

solutions. Recently, new products have become available that combine and can improve certain features and benefits of these traditional investment options, offering Canadians even greater flexibility when planning their retirement income strategy. As a result, your advisor has access to a wide variety of products that can help improve income certainty in your retirement and minimize the risk that you will outlive your retirement income.

## **TALK TO YOUR ADVISOR**

Talk to your advisor to learn more about innovative guaranteed income solutions that can enable you to better protect yourself from the risks that may be standing in the way of your retirement dreams. •

## **DID YOU KNOW?**

- Almost 40 per cent of retirees are concerned they do not have enough money to do what they want in retirement<sup>2</sup>
- 51 per cent of households are at risk of being unable to maintain their standard of living in retirement<sup>3</sup>
- A healthy couple now 65 years old has a 94 per cent chance of one partner living to age 80 and a 63 per cent chance of one partner living to age 90<sup>4</sup>
- Fewer than one in four working Canadians have a guaranteed pension plan<sup>6</sup>
- Nearly two-thirds of Canadians are concerned that their retirement income may not keep up with inflation<sup>5</sup>
- Statistics Canada estimates that nearly half of Canada's current population will retire over the next 20 years<sup>1</sup>
- Nearly half of Canadians have indicated they don't have a plan for turning their retirement savings into an income stream<sup>5</sup>
- When asked what factors were extremely important to achieve a happy retirement, the number one response for 74 per cent of Canadians was not having to worry about money<sup>2</sup>

<sup>1</sup> Statistics Canada, CANSIM Table 052-0001.

<sup>2</sup> Investment Executive staff, "Top tips Canadian retirees wish they knew before they retired." Tuesday, May 31, 2011. [www.investmentexecutive.com/client/en/News/DetailNews.asp?id=58330&idSection=3&cat=3&ImageCl=1](http://www.investmentexecutive.com/client/en/News/DetailNews.asp?id=58330&idSection=3&cat=3&ImageCl=1).

<sup>3</sup> Sullivan, John, "Top 4 risks for baby boomer retirement." May 25, 2011. [www.advisorone.com/article/top-4-risks-baby-boomer-retirement?t=etfs&utm\\_source=dailywire52511&utm\\_medium=enewsletter&utm\\_campaign=dailywire](http://www.advisorone.com/article/top-4-risks-baby-boomer-retirement?t=etfs&utm_source=dailywire52511&utm_medium=enewsletter&utm_campaign=dailywire).

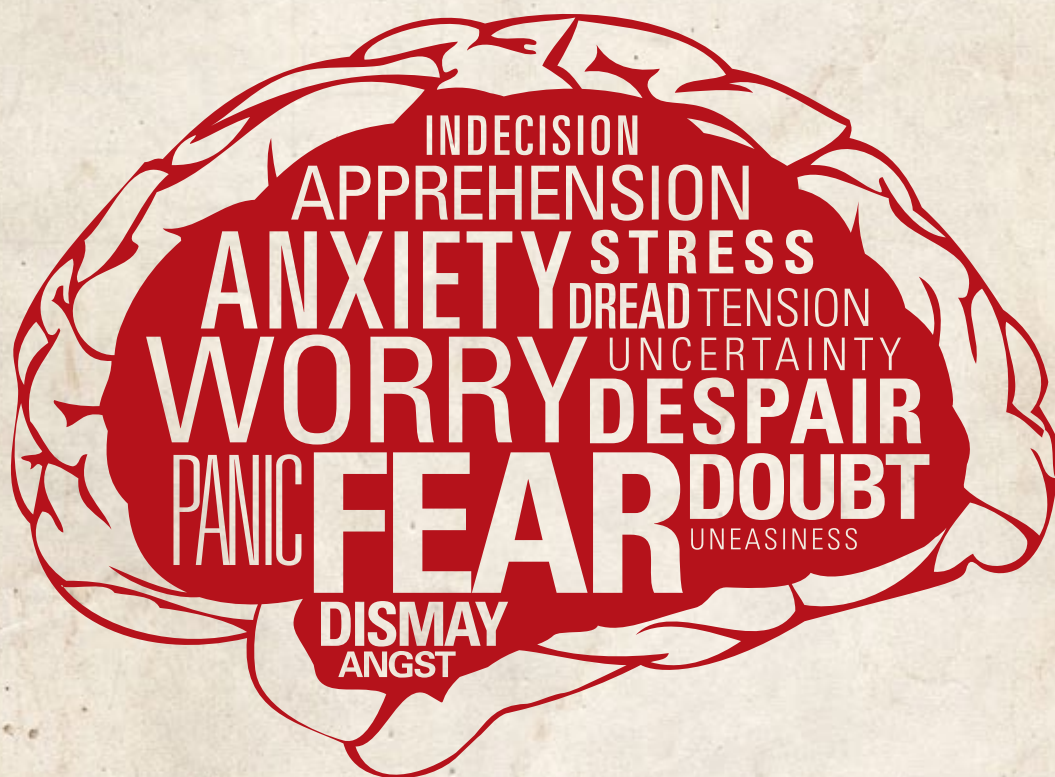
<sup>4</sup> Society of Actuaries, Annuity 2000 Mortality Table.

<sup>5</sup> This Manulife Financial survey was conducted with 1,001 Canadians between the ages 50 and 65 with household income of \$50,000+. It was conducted online by Research House from July 14 to 23, 2011.

<sup>6</sup> Statistics Canada, Pension Plans in Canada and Labour Force Survey, April 2009.



**TAKE THE  
EMOTION**



**OUT OF  
INVESTING**

## STRATEGIES TO HELP MINIMIZE THE CYCLE OF EMOTIONAL INVESTING

Market volatility has become part of the landscape we live in. Triggers from the economic front can send the markets up one day and down the next. If you're thinking about recent market volatility and the alarm you may have felt as you watched the markets lose value, you may be relieved to know that your reaction was only human. In fact, there's an entire body of scientific evidence that suggests the human brain tends to respond in fairly predictable ways to moments of extreme stress.<sup>1</sup>

**W**alking, breathing, feeling and reasoning seem like they should be automatic. You trust your brain to keep these processes running smoothly – and most of the time it does. However, there are times when the different parts of your brain operate on their own. For example, in moments of intense emotion, the reasoning part of your brain shuts down completely. Your brain senses the need for survival and all the blood flows to the other parts of the brain that keep you alive. That's not such a bad thing if you encounter a bear on a walk through the woods, but it may not work as well when the bear you meet is in the markets.

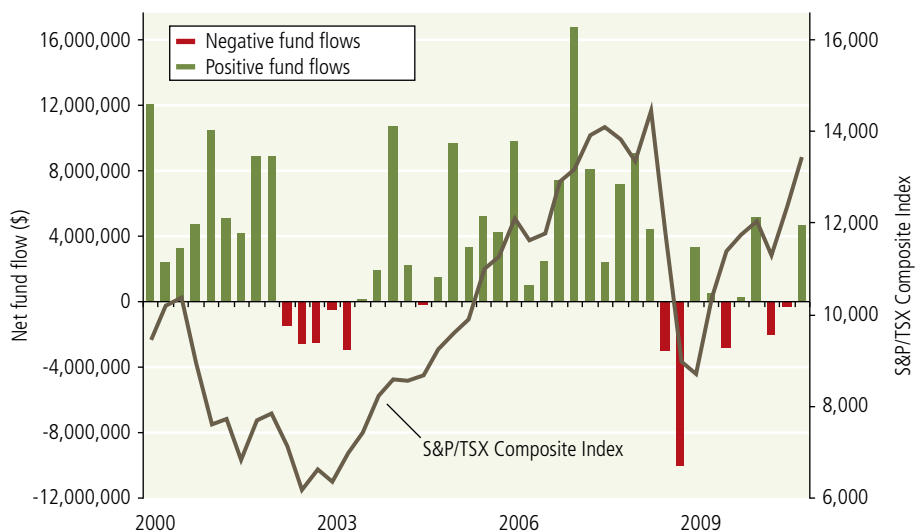
Letting emotion control your investment decisions can be problematic, as the tendency can be to sell during periods of market decline and often this behaviour occurs at the wrong time – after experiencing significant losses. The solution seems simple: take emotion out of the equation. Unfortunately, when fear takes over, this is much more easily said than done.

### BUY HIGH AND SELL LOW?

The number one rule of investing is to “buy low and sell high.” It may appear to be a simple concept, but it takes extreme discipline. That's because humans have cognitive biases, which at times may lead to poor investment decisions. To illustrate this point, take a look at Chart 1. The brown line shows stock market performance, while

the green and red bars show cash flows in or out of stock mutual funds. When the stock market is performing well, investors continue to pour money into the market. Notice how the line peaks after a couple of years of generally strong returns. However, when the market goes down, as it did in 2008, investors appear to abandon their principles and sell.

**Chart 1: Equity flows – when the markets fall, investors tend to be influenced by emotions and sell**



Source: Mutual Fund In Flows, Investment Funds Institute of Canada (IFIC). S&P/TSX Composite Index, Bloomberg. For illustrative purposes only. Past performance is not indicative of future returns.

<sup>1</sup> John Hancock, “Defensive and offensive strategies to help minimize the cycle of emotional investing,” July 2010.

The problem is that investors often sell after the market has already experienced significant declines. This example clearly shows that many investors are buying high – where the line peaks – and selling low. And that's the exact opposite of what we all know we should be doing.

How do you explain this irrational behaviour? Looking at a full market cycle makes it easier to understand why investors may react in this way. Investors who exit the market during significant market declines also tend to be hesitant to

get back in. Many remain “on the sidelines” until they feel assured that the stock market is once again gaining momentum in an upward direction. Unfortunately, at this point prices have risen considerably from the bottom and the market offers less upside potential. In other words, investors wait too long and buy in after the market has already experienced a substantial amount of the rebound.

So how do you avoid making investment decisions at the wrong time, and position yourself to sleep

better at night? The first step is to remember that investing involves risk. Keeping this in perspective can go part of the way towards helping you weather the emotional rollercoaster. Secondly, by working with your advisor to combine a number of different types of investments, you can smooth out the ride, and be in a position to take advantage of the opportunities that market declines can present.

## **DIVERSIFY, DIVERSIFY, DIVERSIFY**

Diversification is a lot more than not putting all your eggs in one basket. For some Canadian investors, asset allocation can be as simple as having some money invested in stocks and some money invested in bonds. What many investors may not realize is that there are many different types of stocks and bonds, each reacting differently to market conditions.

By investing in different asset classes, investment styles, market capitalizations, geographic regions and sectors you can improve the risk/return characteristics of your portfolio, creating a diversification benefit that, in turn, can help insulate your portfolio during times of market turbulence.

For example, large-cap Canadian equities respond differently than small- and mid-capitalization Canadian equities (see Chart 2 on following page). Having exposure to both asset classes has the potential to smooth out and potentially increase investment returns over time.

There are many different types of bonds an investor can access including Government of Canada bonds, corporate bonds (of both high and lower quality) and bonds from various sectors

### **WHAT TO DO WHEN EMOTION TRUMPS LOGIC**

In addition to maintaining the perspective that investing involves an element of risk, here are some ideas to help you get through the ups and downs of the markets.

#### **1. Focus on the big picture**

Don't be more upset at losses in your portfolio than you are excited by gains. Next time the market declines significantly, refer back to the long-term plan that you and your advisor established. Remember, losses incurred over the short term are often offset by gains over the long term with a properly diversified portfolio. It can be easier to overcome loss aversion if you can keep the bigger, long-term picture of investing in mind.

#### **2. Don't focus on an anchor**

Investing is complicated. There are many factors to consider at any given time. Because of this, investors often rely on “anchor”

on one piece of information more than they should. If you become too focused on a particular piece of news or an event, it's important to recognize your bias and seek out information that can help you get past it. Share your concerns with your advisor. He or she can help you see the situation from a different angle so you can make informed decisions.

#### **3. Revisit your portfolio**

It's only human to keep on doing what you've been doing unless there's a compelling incentive to change. The “status quo” can have a powerful hold on any investor – especially at a market extreme. It is unlikely that a portfolio you started in your 20s is the one you'll keep in your 40s. Life events have an impact – as does age – so revisiting your portfolio, and not just relying on the status quo, can help keep your portfolio appropriate for you and in line with your long-term goals.

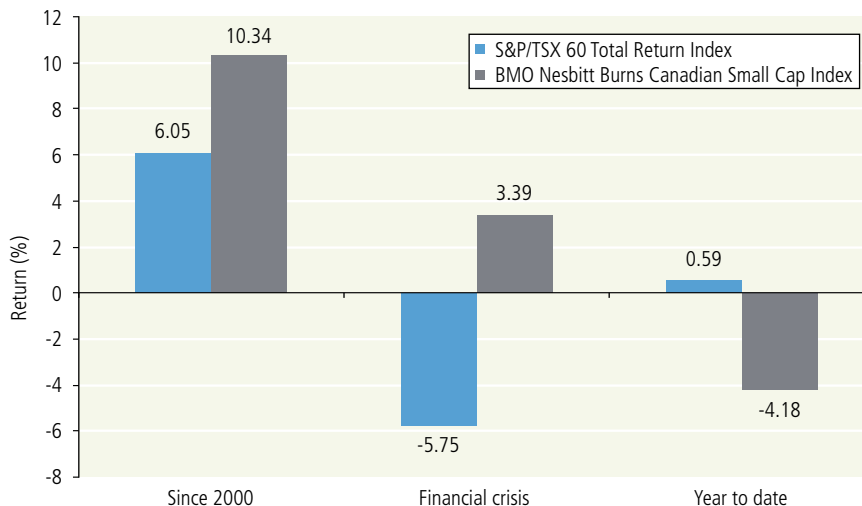


of our economy (see Chart 3). Spreading your investments across a number of bond asset classes is another means of diversifying your portfolio to lower volatility while increasing potential returns.

Beyond traditional asset classes or sectors, there are also a number of non-traditional asset classes – often referred to as alternative or diversifying asset classes. Some examples on the equity side include commodity-based companies and global real estate. On the fixed-income side, there are even types of bonds that can help to protect portfolios against inflation and rising interest rates.

Once you and your advisor have determined the optimal mix of asset classes for your portfolio, consider selecting mutual funds run by managers with a track record for outperforming their peers during market downturns. One way to help determine if a manager is proficient in this regard is to look at what's called an upside/downside capture ratio. This ratio shows how a fund performed in rising markets and how it performed in declining markets. Making sure your portfolio has exposure to managers with strong upside/downside capture ratios is another way to help mitigate losses during challenging market environments.

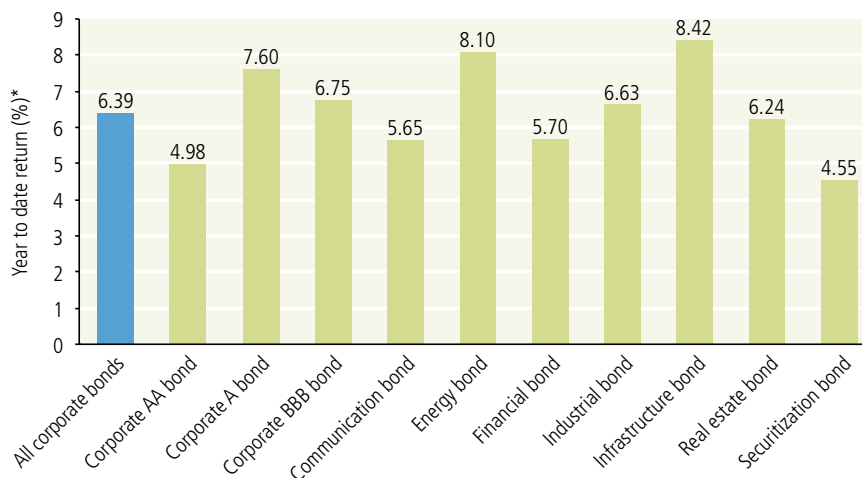
**Chart 2: Large-cap vs. small-cap returns over the past decade**



Source: Globe HySales as at June 30, 2011. Financial crisis is defined as the period between May 2008 and September 2010, for this instance.

For illustrative purposes only. Past performance is not indicative of future returns.

**Chart 3: Return rate across a number of Canadian corporate bond sectors**



Source: [www.canadianbondindices.com/ubi.asp](http://www.canadianbondindices.com/ubi.asp). \* As at August 11, 2011.

For illustrative purposes only. Past performance is not indicative of future returns.

**WHAT MANY INVESTORS MAY NOT REALIZE IS THAT THERE ARE MANY DIFFERENT TYPES OF STOCKS AND BONDS, EACH REACTING DIFFERENTLY TO MARKET CONDITIONS.**

## IT'S TIME IN THE MARKET, NOT TIMING THE MARKET

Table 1 helps to illustrate why remaining invested can leave you better off than trying to time the market. As you can see, periods of low returns are often followed by periods of higher returns. This is because stock markets tend to overcorrect during times of heightened volatility. When the markets return to growth, the period immediately after a dip tends to produce much higher returns. By trying to time when to get in and when to get out, you risk missing the days that produce big gains, which in turn will undermine your long-term returns.

### SPEAK WITH YOUR ADVISOR

You can't control the markets but if you remember that investing involves risk (some of which can be mitigated), and you understand the way your brain works (and the biases that can work against you), you can help keep your long-term investment goals on target. A little planning in calmer times can go a long way towards ensuring that you stay the course and sleep better at night when market headwinds pick up again.

Consult your advisor to review your portfolio and discuss which options might be appropriate for you given your risk tolerance and investment goals. •

**Table 1: Worst three-year periods for the S&P/TSX Index and how the market performed immediately afterwards**

Date	Three-year rolling average	One-year return	Three-year return	Five-year return	10-Year return
6/30/1940	-13.10%	2.70%	16.95%	16.10%	13.42%
3/31/1942	-7.53%	41.79%	21.27%	17.33%	17.33%
3/31/2003	-11.07%	35.98%	26.30%	18.48%	N/A

Source: Globe HySales as at June 30, 2011. For illustrative purposes only. Past performance is not indicative of future returns.

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**A LITTLE PLANNING IN CALMER TIMES  
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IS retirement IN YOUR  
retirement plan?



## FIND OUT HOW TO RETIRE WITH CONFIDENCE

For many, “the big day” seems as if it’s a long way off. For others, it’s just around the corner. We’re talking about retirement and the fact that many Canadians plan to work after age 65.

**A** recent survey conducted by Harris/Decima polled more than 1,000 Canadians about their retirement plans and expectations.<sup>1</sup> According to the report, 69 per cent of Canadians plan to keep working after they formally retire. The reasons reveal something interesting about tomorrow’s retirees:

- 57 per cent plan to continue to work to stay socially active
- 72 per cent want to remain mentally active
- 38 per cent need to keep working because they cannot afford not to

The last statistic is of obvious concern. It would appear that the economic downturn has had a significant impact on the expectations of Canadians, especially those with lower than average annual incomes.

Whether by choice or necessity, it seems that many want to remain economically active. And, after

all, the extended life expectancy of today’s retirees has created the equivalent of an entire second adulthood for this generation.

Yet for many, the prospect of retirement is filled with uncertainty. Many questions need to be answered. Can I afford to retire? At what age can I retire? What can I afford to do in retirement? These questions are understandably weighing on many Canadians.

### CHOOSING THE RIGHT TIME IS NEVER EASY

Figuring out the best time to retire is never easy. Another recent survey conducted by a major bank provides an important insight into why so many Canadians are uncertain about their retirement: approximately 65 per cent do not have a financial plan.<sup>2</sup> In other words, the majority of respondents

### WHAT ARE YOU PLANNING TO DO AFTER YOU RETIRE?

Other than working, what’s on the minds of many Canadians as they approach their retirement years? According to the Harris/Decima survey<sup>1</sup>:

- 86 per cent plan to travel
- 72 per cent want to spend time with family and friends
- 61 per cent plan to spend more time reading
- 60 per cent plan to exercise
- 50 per cent will take up a hobby
- 24 per cent plan to go back to school

<sup>1</sup> A total of 1,011 completed surveys were collected across Canada; 731 respondents expected to retire. The study was conducted from October 14, 2010 to October 25, 2010, on behalf of Scotiabank by Harris/Decima.

<sup>2</sup> Reproduced with permission from “The future of retirement: the power of planning,” published in 2011 by HSBC Insurance Holdings Limited, London.





are cruising into their retirement without the aid of a financial map.

Especially since they enjoy the possibility of living a lot longer, tomorrow's retirees could use some help. What many are looking for is a retirement income strategy that can help spell out when they can afford to retire and what they can afford to do in retirement to ensure they don't outlive their life savings. Sound like you?

The good news is that advisors across Canada are now adopting Product Allocation strategies to provide their clients with a lot more certainty when it comes to making plans.

## WHAT IS PRODUCT ALLOCATION?

Product Allocation from Manulife is a methodology that involves placing your assets in specific proportions within three distinct product categories to help ensure sustainable retirement income. This enables your advisor to

better optimize your retirement income potential, while at the same time minimizing the financial risks that could derail your financial plan. You can tap into the guarantees or features that each product category provides to address the various financial challenges you may face during your retirement years.

Although myriad product choices are available, they can be classified into the following product categories:

- **Systematic Withdrawal Plans (SWPs)** – linked to portfolios of mutual funds, segregated funds, stocks, bonds, GICs, cash, etc.
- **Guaranteed Minimum Withdrawal Benefits (GMWBs)** – designed to provide predictable, sustainable and potentially increasing levels of income
- **Immediate Annuities (IAs)** – established to deliver predetermined and guaranteed income, typically for life

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## WHAT MANY ARE LOOKING FOR IS A RETIREMENT INCOME STRATEGY THAT CAN HELP SPELL OUT WHEN THEY CAN AFFORD TO RETIRE AND WHAT THEY CAN AFFORD TO DO IN RETIREMENT.

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## THE PRODUCT ALLOCATION STRATEGY IS NOT BIASED IN FAVOUR OF ANY SINGLE PRODUCT CATEGORY. INSTEAD, IT CREATES A RECOMMENDED MIX OF PRODUCTS BASED ON YOUR CURRENT FINANCIAL SITUATION.

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The Product Allocation strategy is not biased in favour of any single product category. Instead, it creates a recommended mix of products based on your current financial situation. This mix can then be adjusted to meet your retirement goals, concerns and preferences. The overall objective is to maximize the potential sustainability of your retirement income.

### GIVE YOUR RETIREMENT PLAN A NUMBER

The Product Allocation Tool calculates a Retirement Sustainability Quotient, or RSQ, which is a percentage measure of how likely it is that a mix of investment products will provide desired lifetime retirement income. The RSQ can range from zero per cent, which represents no potential for sustainability – to 100 per cent where the income stream is guaranteed for a lifetime. The higher your score, the better the chance that your income will be sustainable.

Using the Product Allocation Tool, your advisor can assess the likelihood that your investment portfolio will provide an income stream that will last the rest of your life. It's an important way for your advisor to provide you with a clear idea of where you stand. And if you



know where you stand, it makes it a lot easier to answer important questions, such as whether you'll need to work longer or spend more time at home to maintain the lifestyle you want, travel, go back to school or leave a legacy for your children.

### **WILL RETIREMENT BE IN YOUR RETIREMENT PLAN?**

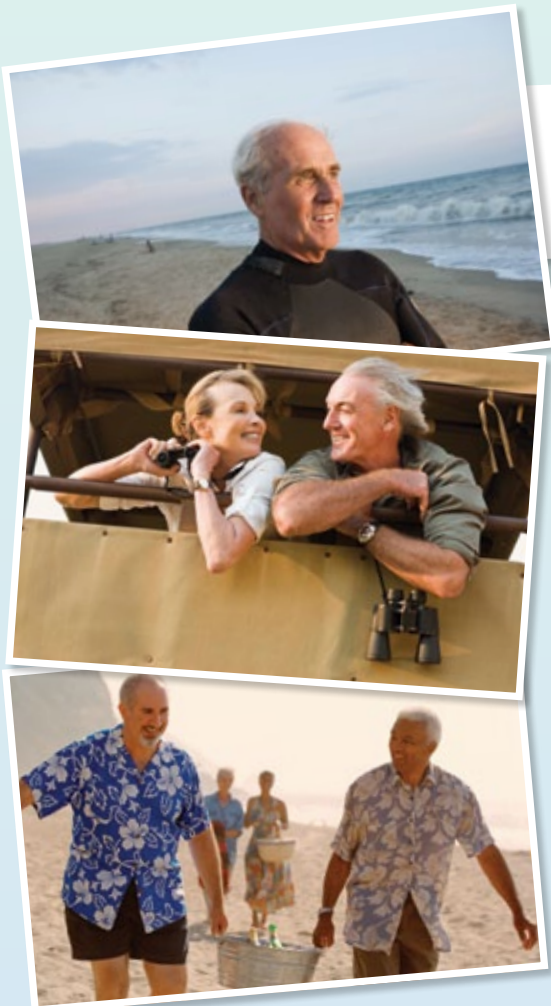
It's a question you need to answer as the big day approaches. If surveys prove accurate, many Canadians will continue to work because they want to. Others will continue to work because they feel they

need to. Some may even manage to find a combination of work and leisure that fulfills their aspirations for a more balanced life. Whether by choice or necessity, every Canadian could benefit from more certainty when it comes to their retirement plan.

If you find yourself wondering what kind of retirement is in your retirement plan, consider seeking the help of your advisor. He or she can review your current financial situation and explain how Product Allocation can help you prepare for your future, whatever shape it takes. •

### **WHY NOT TRY PRODUCT ALLOCATION FOR YOURSELF?**

To learn more about Product Allocation, visit [helpmysavingslast.ca](http://helpmysavingslast.ca). You can try the easy-to-use RSQ Calculator and learn how Product Allocation can help you secure retirement income for life. Contact your advisor for more information on how Product Allocation can help you prepare for retirement.



## **SEND US YOUR COOL RETIREMENT STORY AND PHOTO**

### **ATTENTION RETIREES!**

**How are you making the most of your retirement?**

We are looking for photos and stories of neat things you have done in retirement.

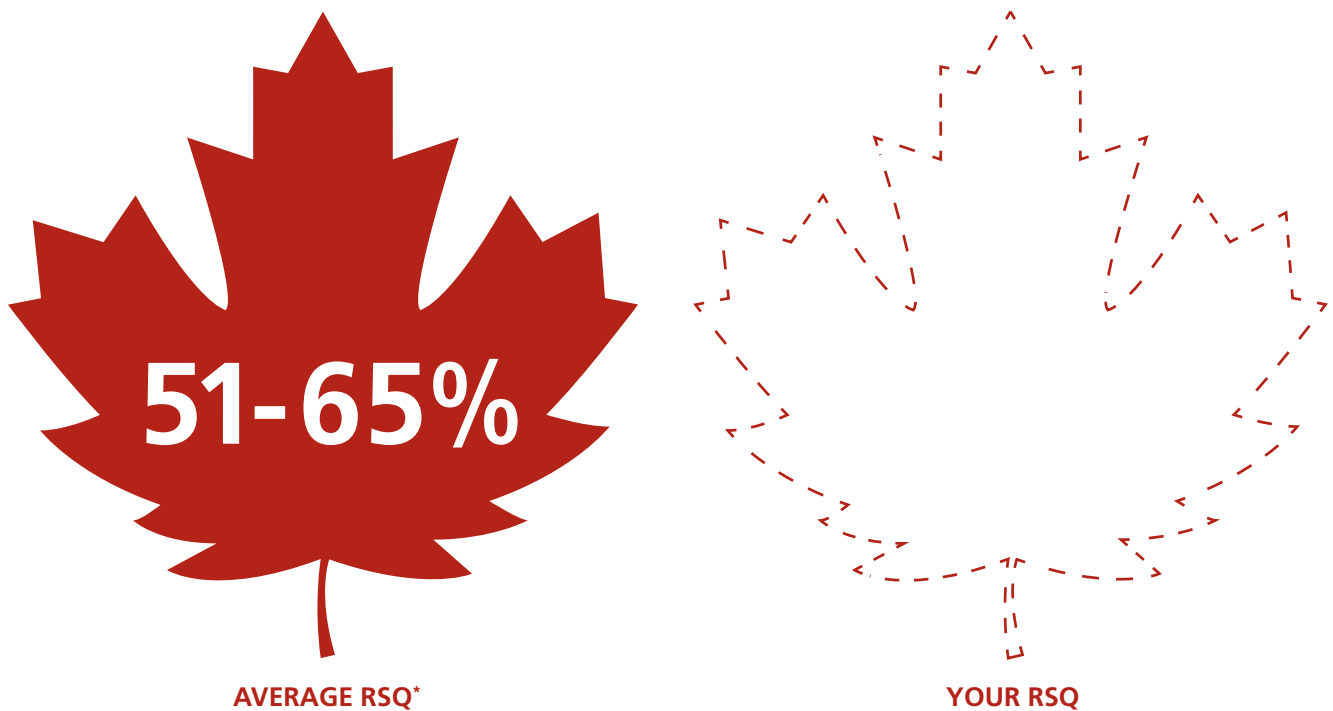
If chosen you could be featured in *Solut!ons* and win a \$100 gift card.

E-mail your photo with a brief caption (under 100 words) to **[solutions@manulife.com](mailto:solutions@manulife.com)**

**Deadline: December 31, 2011**

For full contest details visit [manulifesolutions.ca/contestrules](http://manulifesolutions.ca/contestrules)

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 **willmysavingslast.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](http://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.





**"Pennies & dollars"**  
with a new twist

## MANAGE DAY-TO-DAY FINANCES WELL AND DEBT SHOULD TAKE CARE OF ITSELF

Between 1984 and 2009, household debt in Canada more than doubled.<sup>1</sup> Debt is something most of us don't like to talk about but maybe it's time we start. If you are looking to build a solid debt repayment plan, the best way to begin is by taking a look at how you manage your day-to-day finances. You don't have to do it alone. Advisors are trained to give you professional advice and can help you create a financial plan to meet your specific needs.

### LET'S TALK ABOUT FINANCES

"It doesn't make any sense," Mary says, shaking her head as she pours her friend Janet a cup of coffee.

"I know my son is young and wants to have fun. I get it. But Joel has told me more than once that he and Melissa want to get rid of their mortgage before they're 40. Then we're having dinner on their new patio set, while he shows us pictures of their trip to the Dominican Republic, and they're talking about home renovations too. How can they keep spending and still get ahead?"

Janet nods.

"It's old-fashioned but there's truth to the saying, 'save your pennies and the dollars will save themselves,'" Mary continues. "I love him and feel like I need to say something. What? Why are you looking at me like that?"

"I was just thinking this sounds familiar," smiles Janet. "Wasn't it just yesterday that you wished you

and Peter could join Tom and me on our Mediterranean cruise next spring? Then you showed me a picture of the new sofa you ordered for your family room."

Mary stares at her blankly.

"Don't get me wrong," says Janet. "I'm not telling you how to spend your money but you keep saying that you and Peter want to pay off your house soon. I hope you don't mind my saying this but do you have a sound plan for how you're going to do that?"

"Wow, you're right," exclaims Mary. "It is exactly the same. How can I say anything to Joel when I'm in the same boat?"

"Easy," replies Janet. "You make some basic changes to your own finances and, when everything's working well, you tell him how you did it."

"Last year, Tom and I felt like we were never going to get ahead. Remember? Then Tom's sister, Donna, suggested we speak to her advisor. He had helped them

get a clear picture of what was happening with their day-to-day finances. We met with him and his advice made a huge difference in how we manage our finances, Mary.

"Now we're on track to have our mortgage paid off in a few years, we're going on a cruise and we have some extra cash for unexpected costs that may come up. The best part is that we didn't have to change our lifestyle much. The difference is that now we know better where the money's coming and going so we can make clearer choices. We also reorganized our accounts so we're paying less in interest on all of our debt."

"Of course we have an advisor for our investments," says Mary. "But for our day-to-day expenses? I'd feel silly asking for advice about that."

"Why?" asks Janet. "You said yourself the dollars get saved when you save the pennies. We found money for everything we want and to pay down our debt with some professional tips on reorganizing it."

<sup>1</sup> Matt Hurst, "Debt and family in Canada." Statistics Canada, April 21, 2011.

Retrieved from [www.statcan.gc.ca/pub/11-008-x/2011001/article/11430-eng.pdf](http://www.statcan.gc.ca/pub/11-008-x/2011001/article/11430-eng.pdf).

## A WIDESPREAD CHALLENGE

The fact is, Mary and Peter are not alone. A recent Consumer Debt Survey<sup>2</sup> found that, among homeowners in their 50s:

- 71 per cent manage their debt and day-to-day finances without professional advice
- When asked to rate their level of satisfaction on numerous financial priorities, they rated their “ability to manage day-to-day expenses” with the highest level of satisfaction
- Interestingly, however, they rated the amount of debt they have as the item with which they were least satisfied
- 37 per cent believe their knowledge of personal debt management is “above average” or “well above average”

These findings show that most people in their 50s manage their own debt and day-to-day finances and believe they can do it very well – yet they’re unhappy with the results. How can people with above average knowledge of debt management who are managing their own finances be so unhappy with the outcome? What connection between how people manage their daily expenses and their debt repayment is being overlooked?

How we manage our day-to-day finances directly affects our overall debt management. Like the “pennies and dollars” saying, if we manage our day-to-day finances using professional principles, the debt should take care of itself. Put like that, it seems pretty straightforward, doesn’t it? But remember that the survey findings show nearly three-quarters of the respondents don’t get any professional advice regarding

## WHAT CONNECTION BETWEEN HOW PEOPLE MANAGE THEIR DAILY EXPENSES AND THEIR DEBT REPAYMENT IS BEING OVERLOOKED?

their debt and day-to-day finances. If any of this sounds familiar, you – like Mary and Peter – are not alone.

The good news is that an advisor can help you. Understanding where all your money goes (also known as “cash flow”) is the first step. There are cash flow tools that your financial advisor can use to identify where you are spending your money, determine what your financial goals are and create a plan with you to optimize your money management.

This plan also needs to help you prepare for life’s “What ifs?” What if the car needs repairs? What if medical expenses increase? What if you want to take a vacation? Most people nearing or in retirement have a fixed income but not always fixed expenses. And no one wants to spend retirement years worrying about how to cover unexpected expenses. Financial flexibility is key.

By working with you to understand your cash flow and to implement a tailored financial plan, your advisor can help you:

- Manage your day-to-day finances in a way that allows you to increase your debt repayment
- Increase financial flexibility so you can live the lifestyle you’d like to live while respecting your plan

- Reduce stress because you’ll know you’re prepared to respond to “What if?” situations

## GET AHEAD OF THE GAME

“We’d love to join you on the cruise next spring if we can get ourselves on track to pay off our mortgage quickly,” says Mary. “That would be great.”

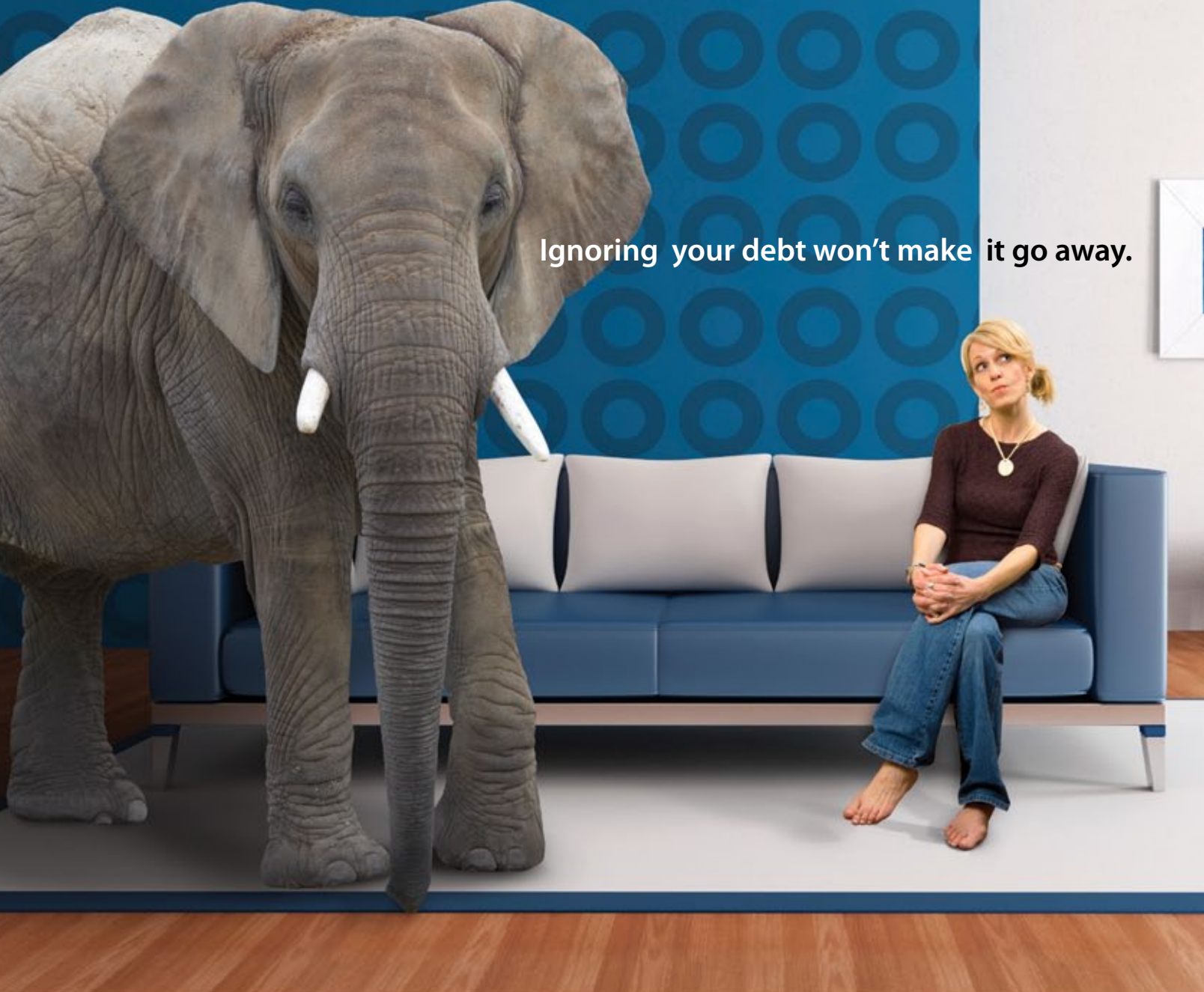
“It will be,” replies Janet. “And we’re living proof that you can do it. Then you can speak with Joel and Melissa about talking to your advisor so they can get ahead of the game 20 years earlier.” •

### SPEAK TO YOUR ADVISOR

**Talk to your advisor today about your day-to-day finances and how they relate to your debt. It will be one of the best things you ever do.**

<sup>2</sup>The Manulife Bank of Canada poll surveyed 1,000 Canadian homeowners between age 30 and 59 with household incomes of more than \$50,000. It was conducted online by Research House between March 22, 2011 and April 4, 2011. This story is fictional and for illustrative purposes only.





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](http://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.

SAYING “I DO” to a  
new way to transfer wealth



## THE WEALTH TRANSFER STRATEGY + YOUR MONEY = A HAPPY MARRIAGE

**P**aul remembers his wedding vows as if he said them yesterday. In fact, it's been 41 years since he said "I do" with Susan. What Paul remembers most is the "for richer or poorer" part.

"We were poor. We were getting married because we were in love and that's what you did in those days. But we had very little money and we were young and naïve and thought we could make it on love alone. I remember looking at Susan and her looking at me when the minister said 'for richer or poorer.' We almost laughed out loud."

What makes this a funny story for Paul to tell isn't what happened during the wedding, but what's happened now. The end of the story is that Paul did very well in business and he and Susan are not only still in love, but they have a lot of money. So much money, in fact, that they need some help so they can transfer some of this wealth to their children or grandchild without paying a lot of tax.

Paul and Susan contact their advisor, Steven, for advice. He tells them they have several options: they can give money to their children or grandchild by investing in a Registered Education Savings Plan

(RESP), a Tax-Free Savings Account (TFSA) or a taxable investment of some kind. While these work well, they may have contribution limits or be subject to tax, and they don't provide a lot of flexibility.

Steven then tells Paul and Susan about another option called the Wealth Transfer Strategy. He explains that it uses a permanent life insurance policy as a tax-effective way to transfer wealth to heirs – and it allows them to control their wealth until it is transferred.

### HOW IT WORKS

The Wealth Transfer Strategy starts with Paul and Susan buying a permanent life insurance policy

on the life of their grandchild. Paul and Susan would be the owners and, as owners, they can put money into the policy in excess of what is needed to pay for the insurance. The extra money in the policy is called "cash value."

At some point in the future, they can transfer ownership of the policy to their grandchild, who will now have all the rights of the policy and assume all the obligations under the policy. This transfer may qualify as a tax-free rollover under rules set out in the *Income Tax Act*. As the new policy owner, their grandchild, Daniel, can access the cash value to meet his current or future cash needs. He's only eight years old

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**THE WEALTH TRANSFER STRATEGY USES  
A PERMANENT LIFE INSURANCE POLICY  
AS A TAX-EFFECTIVE WAY TO TRANSFER  
WEALTH TO HEIRS – AND IT ALLOWS  
THEM TO CONTROL THEIR WEALTH UNTIL  
IT IS TRANSFERRED.**

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right now, but he'll be attending university in about 10 years and that cash will come in handy.

Steven explains to Paul and Susan that the benefit of transferring the policy ownership is that as long as Daniel is 18 or older when he accesses funds from the policy, if a policy gain arises it will count as income for Daniel – not for them. Another benefit of this strategy is that once Daniel is the owner of the policy, he can name a beneficiary important to him and the insurance policy becomes an important part of his financial plan.

Steven gives Paul and Susan a graph that shows how the Wealth Transfer Strategy provides an effective method of transferring wealth (see figure at right).

As the new policy owner, Daniel could consider withdrawing funds from the policy's cash value as follows:

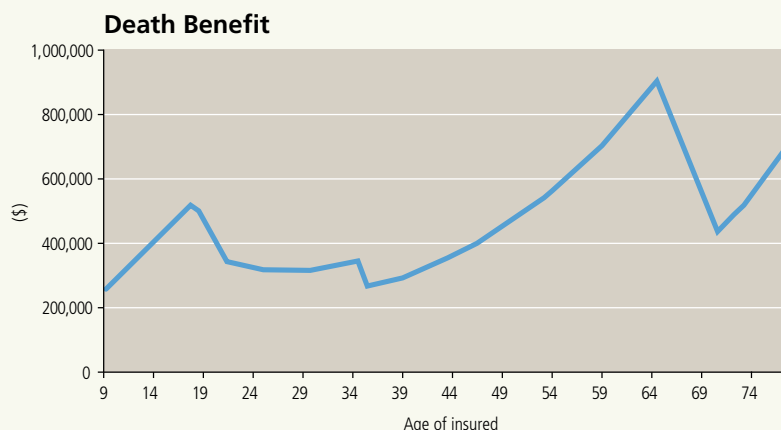
- Education fund (starting at age 19): \$5,000<sup>2</sup> annually for four years
- Help to purchase a new home (at age 35): \$15,000<sup>2</sup>
- Retirement income benefit (starting at age 65): \$50,000<sup>2</sup> annually for six years

Paul and Susan can see that the \$250,000 death benefit grows to over \$500,000 by the time Daniel is 72 (his life expectancy), even after the withdrawals for education, a home purchase and retirement income.

They are impressed with this strategy and decide to go ahead and purchase the life insurance policy. And, when they sign on the dotted line, they look over at each other and laugh out loud. •

**Policy owner:** Paul and Susan  
**Life insured:** Grandson Daniel, age 8  
**Product:** Permanent whole life insurance<sup>1</sup>

**Initial death benefit:** \$250,000  
**Planned deposit time:** 10 years  
**Planned deposit amount:** \$5,000  
**Personal tax rate:** 30 per cent



For Illustration purposes only.

<sup>1</sup> This example uses Performax Gold at the Current Performance Credit Rate. The example also assumes the policy will be transferred to the grandchild when he reaches age 18. <sup>2</sup> Amounts shown reflect after-tax amounts.





## Live life on your terms

**Planning for retirement can be hard work.** You need enough to live the life you want and you want to make sure your loved ones are well looked after. Life insurance can play an important role in making sure all your dreams come true.

Manulife's Performax Gold is a life insurance plan that can help you realize your dreams. It offers a unique combination of permanent insurance protection, coverage options, guarantees and opportunities for tax-advantaged savings.

**Ask your advisor today how Performax Gold can help you live life on your terms.**



 **Manulife Financial**  
| For your future™



# DEATH AND TAXES

## Plan ahead to minimize taxes on death

Nobody likes to think about their death, but who wants to pay more tax than they have to? With a little planning, you can help minimize the taxes your estate might pay at death.

### LEAVE ASSETS TO YOUR SPOUSE

Assets left to a spouse or spousal trust are deemed to be disposed of at the deceased's adjusted cost base (ACB – see sidebar), thereby deferring tax until that spouse (or trust) sells the assets, or until the surviving spouse's death.

### GIVE ASSETS AWAY

If you actually dispose of assets before your death, your estate will avoid the potential tax bill on death. If you have already decided who will receive certain assets, and will not have to use those assets to fund your day-to-day living expenses, you might consider giving those assets away during your lifetime.

Giving assets away is generally considered a disposition for tax

purposes, and therefore could give rise to a tax bill if the fair market value at the time the asset is gifted is greater than its ACB. As a result, this strategy works best if the assets you're giving away are likely to grow in value in the future.

### CHOOSE BENEFICIARIES CAREFULLY

To maximize tax deferral, you could leave assets that have appreciated in value to your spouse first, if you can.

If you're going to leave assets to others, it's best to consider leaving tax-friendly assets, such as cash,

Guaranteed Interest Contracts (GICs), money market funds or assets that have not greatly appreciated in value.

### MAKE THE MOST OF EXEMPTIONS

The two most common exemptions are:

1. The principal residence exemption, which can be used to offset the capital gains on one property you own. This could be your home, but it could also be a cottage or other second property that you ordinarily inhabit (rental properties do not qualify).

#### WHAT IS AN ADJUSTED COST BASE?

In simple terms, the adjusted cost base (ACB) is the amount of your investment that has already been taxed.



## ONCE YOU'VE DONE ALL YOU CAN TO MINIMIZE YOUR TAX LIABILITY ON DEATH, YOU MAY WANT TO CONSIDER LIFE INSURANCE TO ASSIST IN FUNDING YOUR ESTATE'S EVENTUAL TAX LIABILITY.

2. The enhanced capital gains exemption, which can be used to offset up to \$750,000 of capital gains on your shares in certain private companies, a qualifying farm or fishing property.

### GIVE TO CHARITY

You can choose to give to charity on your death (usually via your will). Your estate will be able to claim a donation tax credit for the fair market value of the gift on your final tax return.

### FILE MULTIPLE TAX RETURNS

In the year of death, four tax returns can potentially be filed. A claim can be made for some personal tax credits, such as the basic personal amount, on each of the returns filed, effectively multiplying the number of credits claimed. In addition, your estate benefits from the lower graduated tax rates more than once in the year of death.

### BUY LIFE INSURANCE

Once you've done all you can to minimize your tax liability on death, you may want to consider life insurance to assist in funding your estate's eventual tax liability. This

helps to ensure that your heirs will be left with as much of the estate proceeds as possible, and that your assets will not have to be liquidated in order to pay your estate's tax bill.

### IDEAL CANDIDATES FOR THESE STRATEGIES

The people who will benefit most from these strategies are individuals with assets that will attract taxes on death who want to:

- Understand the income tax implications on death related to those assets
- Minimize or reduce their estate's income tax bill on death and leave more assets to their heirs

### TAKE ACTION

If this applies to you, then:

- Identify assets that may present tax planning opportunities
- Consider one or more of these strategies to reduce taxes on death
- Review your estate plan with a tax or legal advisor

Finally, get advice from a tax professional if you have any questions about how to minimize the taxes your estate might pay at death. •

### EXERCISE YOUR BRAIN!

Solutions (from page 35)

Puzzle by websudoku.com

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

Medium

Puzzle by websudoku.com

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

Easy

YOU ARE  
WHAT YOU EAT!



## HEALTHY FOODS CAN MEAN HEALTHIER LIVES

**T**he foods you choose to eat can have a significant impact on your well-being today and your long-term health. According to Health Canada:<sup>1</sup>

- Vegetables and fruit contain vitamins, minerals and fibre and can help to reduce the risk of cardiovascular disease and some cancers
- Grain products, especially whole grains, contain B vitamins, minerals and fibre and can help to reduce the risk of cardiovascular disease
- Milk and alternatives contain calcium, vitamins, minerals and protein and can reduce the risk of osteoporosis
- Meat and alternatives contain B vitamins, minerals and protein and are an important part of a balanced diet that leaves you feeling satisfied

Yet many Canadians are not eating the mix of these four food groups recommended by Canada's Food Guide. In fact, a 2009 Ipsos Reid poll found that about nine in 10 adults surveyed do not eat the recommended amount of vegetables and fruit on a daily basis. Nearly one in four had not consumed any vegetables or fruit when they reported what they had eaten the day before.<sup>2</sup>

### WHAT SHOULD YOU EAT?

Canada's Food Guide<sup>3</sup> offers specific guidance for children, teens and adults. For adults, every day:

- A woman aged 19 to 50 years should be consuming 7–8 servings of vegetables and fruit, 6–7 servings of grain products, 2 servings of milk and alternatives and 2 servings of meat and alternatives
- A man aged 19 to 50 years should be consuming 8–10 servings of vegetables and fruit, 8 servings of grain products, 2 servings of milk and alternatives and 3 servings of meat and alternatives
- A woman aged 51 or older should be consuming 7 servings of vegetables and fruit, 6 servings of grain products, 3 servings of milk and alternatives and 2 servings of meat and alternatives
- A man aged 51 or older should be consuming 7 servings of vegetables and fruit, 7 servings of grain products, 3 servings of milk and alternatives and 3 servings of meat and alternatives

To see if you're following the guidelines, Health Canada suggests writing down everything you eat for a day or two. Divide everything up into servings and compare your

list to the recommended guidelines. If you're eating too little or too much of any food group, make the effort to adjust your diet.

### HEALTHY SUBSTITUTIONS AT HOME

When you're preparing meals at home there are several easy ways you can boost nutrients and make a healthier meal:

- Rolled oats can replace bread crumbs
- Whole wheat and grain breads can replace white breads
- Choose skim or low fat dairy products over the full fat options
- Ground chicken or turkey can replace ground beef. Choose leaner cuts of any meats.
- Salt can be replaced with herbs, spices or lemon juice.
- Sugar can be replaced with vanilla, cinnamon or nutmeg
- Replace pop and fruit juices with water. Water helps flush your system of waste products and toxins

These simple substitutions can, over time, help you avoid some of the health consequences of a high-fat, high-sodium, high-sugar diet – such as heart attacks, strokes and diabetes.

<sup>1</sup> Eating Well with Canada's Food Guide. Health Canada, 2007. Reproduced with the permission of the Minister of Health, 2011. [www.hc-sc.gc.ca/fn-an/pubs/res-educat/res-educat-eng.php#a5](http://www.hc-sc.gc.ca/fn-an/pubs/res-educat/res-educat-eng.php#a5)

<sup>2</sup> [www.marketwire.com/press-release/snapshot-of-canadians-eating-habits-reveals-many-not-eating-well-1061851.htm](http://www.marketwire.com/press-release/snapshot-of-canadians-eating-habits-reveals-many-not-eating-well-1061851.htm)

<sup>3</sup> Eating Well with Canada's Food Guide. Health Canada, 2007. Reproduced with the permission of the Minister of Health, 2011. [www.hc-sc.gc.ca/fn-an/food-guide-aliment/index-eng.php](http://www.hc-sc.gc.ca/fn-an/food-guide-aliment/index-eng.php)



## HEALTHY CHOICES WHEN YOU'RE EATING OUT

It doesn't have to be hard to eat healthy when you eat out. The following tips can help you make healthier choices:

- Choose baked, barbecued, stirfried, broiled, grilled, poached or steamed foods rather than fried or battered choices
- Ask for sauces and dressings on the side
- Pick wine, stock based or red sauce and choose a whole wheat pasta. Avoid thick butter or cream sauces
- Limit yourself to eat in small portions
- Substitute high fat items like french fries for a side salad or baked potato
- Avoid buffets and all-you-can-eat specials

Many restaurants highlight healthier options with a symbol such as the Heart and Stroke Foundation's Health Check logo. You can also find this logo on many healthier grocery products. It's your assurance that the menu item or product has been evaluated by the Heart and Stroke Foundation's registered dietitians and meets specific nutrient criteria based on Canada's Food Guide recommendations.<sup>4</sup>

## READING LABELS AT THE GROCERY STORE

Nutrition labels are intended to help grocery store shoppers make informed decisions – but they can be hard to understand. Start by looking at the serving size and, if you're comparing products, make sure they have similar serving sizes. Next, look at the calories. Calories

provide energy, but calories you don't use are stored as fat. Finally, look at the nutrients. Health Canada offers a simple rule of thumb you can use to evaluate the “% Daily Value” on a nutrition label:<sup>5</sup>

- Five per cent or less is a little
- Fifteen per cent or more is a lot

Health Canada suggests that, depending on your personal situation, you may want to emphasize nutrients such as calcium, iron, fibre, vitamin A and vitamin C. On the other hand, you may want to limit your consumption of fat, saturated and trans fats and sodium.<sup>6</sup>

## MAKE HEALTHY EATING A HABIT

One of the best ways to make healthy eating part of your regular lifestyle is to begin by adjusting your diet in small ways. Ask for whole wheat bread whenever you order a sandwich. Drink a glass of milk instead of a mid-afternoon coffee. Add a salad as an accompaniment to dinner and choose fresh fruit as dessert. Small steps like these can help you form good habits, achieve better nutrition and live a healthier and longer life. •

<sup>4</sup>healthcheck.org

<sup>5</sup>% Daily Value. Health Canada, 2010. Reproduced with the permission of the Minister of Health, 2011. [www.hc-sc.gc.ca/fn-an/label-etiquet/nutrition/cons/dv-vq/index-eng.php](http://www.hc-sc.gc.ca/fn-an/label-etiquet/nutrition/cons/dv-vq/index-eng.php)

<sup>6</sup>Health Canada, 2010. Reproduced with the permission of the Minister of Health, 2011. [www.hc-sc.gc.ca/fn-an/pubs/res-educat/res-educat-eng.php#a5](http://www.hc-sc.gc.ca/fn-an/pubs/res-educat/res-educat-eng.php#a5)

<sup>7</sup>Eating Well with Canada's Food Guide. Health Canada, 2007. Reproduced with the permission of the Minister of Health, 2011. [www.hc-sc.gc.ca/fn-an/food-guide-aliment/index-eng.php](http://www.hc-sc.gc.ca/fn-an/food-guide-aliment/index-eng.php)

## HEALTHY EATING TIPS FROM HEALTH CANADA<sup>7</sup>

- Eat at least one dark green and one orange vegetable every day
- Make at least half of your grain products whole grain every day
- Select lower-fat milk alternatives, such as skim, one per cent or two per cent milk
- Eat at least 150 grams of fish every week

### Test your knowledge

- 1 How many servings of vegetables and fruit should a 51+ adult get every day?  
**a** 4  
**b** 5  
**c** 6  
**d** 7  
**e** 8
- 2 What is a serving size?  
**a** ½ cup fresh, frozen or canned vegetables  
**b** 1 cup leafy raw vegetables or salad  
**c** one medium-sized fresh fruit  
**d** ½ cup of 100 per cent juice  
**e** All of the above
- 3 How many tablespoons of unsaturated fat (e.g., canola, corn or olive oil) do adults need each day?

- a** 0–1  
**b** 1–2  
**c** 2–3  
**d** 3–4  
**e** 4–5

ANSWER KEY 1. d 2. e 3. c

## 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 31.

### Easy

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

Puzzle by websudoku.com

### Medium

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

Puzzle by websudoku.com

# Curried Turkey & Apple Pita

### Ingredients:

- ½ lb (227 g) cooked turkey, cut into ½" cubes
- 1 medium green onion, finely sliced
- 2 tbsp (30 ml) lemon juice
- 1 tbsp (15 ml) curry powder, or to taste
- 1 medium apple, cored and diced
- 1/2 cup (120 ml) plain yogurt
- 1/4 cup (60 ml) apple sauce
- 4 leaves Boston lettuce – or your choice
- Salt and pepper to taste
- 2 pita pockets, each cut in half to make 4 pita halves
- ¼ cup (60 ml) sliced almonds, toasted

### Method:

In a medium bowl add the turkey, green onion, lemon juice, curry powder, apple, yogurt and apple sauce and gently fold together. Adjust seasoning. In each of the pita halves place a leaf of lettuce. Divide the turkey mixture in four and fill each pita half. Sprinkle with toasted almonds. Serve and enjoy.

This recipe is reprinted with permission from the Turkey Farmers of Ontario ([www.turkeyrecipes.ca](http://www.turkeyrecipes.ca))





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**After-tax incomes\* based on a \$200,000 deposit:**

Age at Purchase	MALE		FEMALE	
	Monthly (\$)	Annual Payout %	Monthly (\$)	Annual Payout %
65	1049.40	6.3	969.73	5.8
70	1205.53	7.2	1115.82	6.7
75	1368.27	8.2	1299.83	7.8
80	1518.22	9.1	1436.95	8.6

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¹Principal not already paid is defined as total premium less total payments paid to date. \*Annuity incomes as at June 30, 2011. Based on a single life, non-registered deposit of \$200,000, monthly payments starting one month after purchase, 40% marginal tax rate. 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.