**Reason Why – Leverage Loan**

**Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,**

I would like to thank you for meeting with me and allowing me to assist you with putting a solution in place to meet your financial goals.

Based on the review of your needs and my subsequent recommendation, you opened a leverage loan account with:

Name of lender\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to borrow $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and invested it in a segregated fund with: Name of insurance company\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The purpose of this borrow-to-invest strategy is to create wealth in long term and in a tax efficient way. You are aware that you have to pay interest towards the loan and the loan rate is fluctuating, which means the interest payment will be changing as the loan rate varies. You understood that this strategy has interest rate risk associated with the loan and market volatility risk associated with your investment.

To make this strategy works, you know that the investment return has to be high enough, on one side to cover the interest expense, on the other side to grow the portfolio long term. I therefore recommended you to invest the money in equity funds expecting higher growth opportunities and you agreed. The good side to invest in segregated fund is the principal guarantee that gives you worries free on the money that you borrowed.

This segregated fund product you purchased has \_\_\_\_\_\_\_% maturity guarantee and \_\_\_\_\_\_\_% death guarantee. This means that you can get a principal guaranteed up to the percentage that is on the contract if you keep the policy until it matures or you pass away. As we discussed, the borrow-to-invest strategy takes time to grow. I strongly recommended you keep the account for 10 years or longer and you agreed.

Your choice of Fee Options on the segregated funds:

c Deferred Sales Charge (DSC) c Front End Load (FEL) \_\_\_\_\_\_% c No Load (NL)

c Low Sales Charge (LSC) c Charge Back \_\_\_\_\_\_

At this time I only talked with you about investment planning. I will set up another appointment with you to talk about insurance as you indicated that insurance is not your immediate priority.

If any of this information about you or your needs is not correct, please let me know right away. If you have any questions about your investments, please don’t hesitate to ask me now or at any time in the future. You should also keep this letter with your personal papers as a reminder of why you purchased this investment.

I appreciate your confidence in me and look forward to working with you in the future to ensure that your financial plans continue to meet your changing needs. I have set up a reminder to call you in [month] next year to review the performance of your investment.

*Owner Signature Advisor Name*

*Joint Owner Signature Advisor Signature Date*