



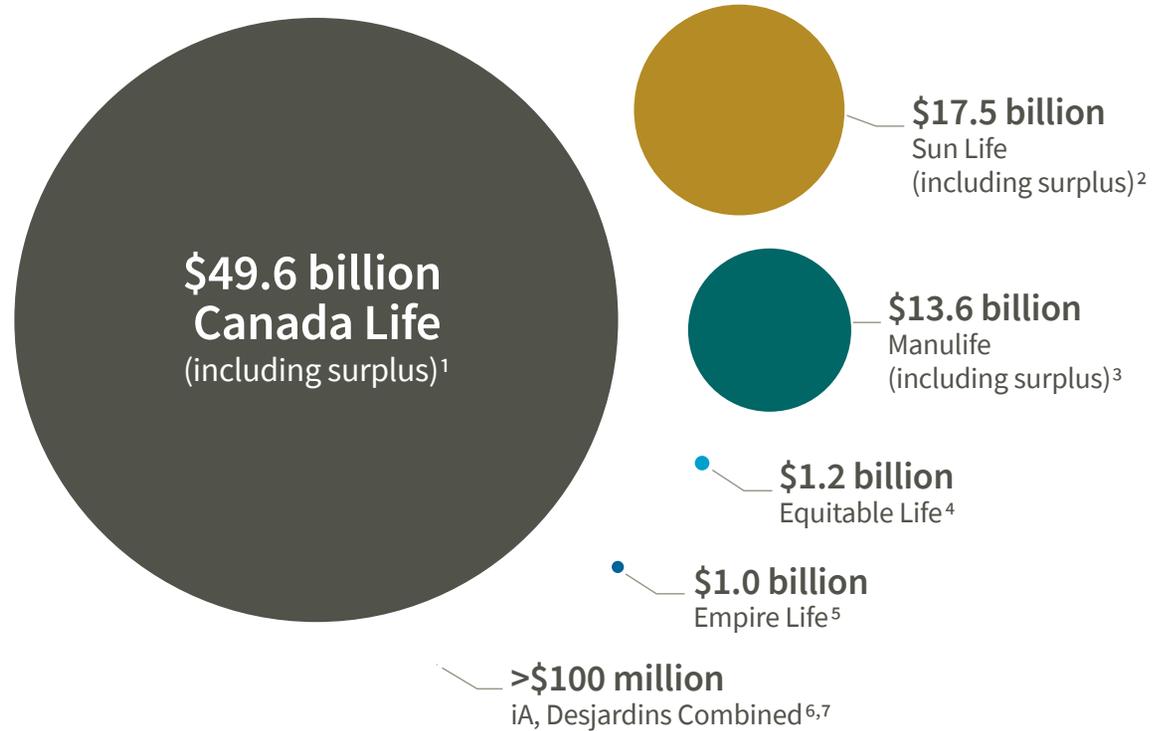
A look at our participating account investment strategy

Strength in size: A key benefit for our Canada Life participating policyowners

The Canada Life™ combined open participating account is the **largest participating account in Canada**, with more than \$48 billion in assets as of Sept. 30, 2022. The account size has increased in large part to never leaving the participating insurance market in our more than 170-year history, while investing with a careful and deliberate long-term approach.

This report looks at several investment-related benefits afforded by our size. Canada Life policyowners can feel confident knowing that an account this size will help **provide the strength and stability** needed to deliver on our promises, whether that is short term or in the future.

Size of participating accounts as of Dec. 31, 2021



¹ 2021 Financial Facts, Page 18. The asset total consists of the Canada Life combined open participating account only, including surplus.

² Sun Life Participating whole life insurance Facts & Figures, Page 15.

³ A look at Manulife's Participating Account – 2021 Annual Report, Page 2.

⁴ Equitable Life Understanding Participating Whole Life Insurance Client Guide, Page 4.

⁵ Empire Life Participating Investments Quarterly Participating Account Summary, Page 1.

⁶ Industrial Alliance Overview of the Participating Account, Page 3.

⁷ Desjardins Participating Life Insurance, Page 3.

Benefit

1

Gain access to investment opportunities not available to small accounts

Operating Canada's largest participating account opens the door to opportunities that may not be available to others, including:

Being a lender of size

In commercial mortgages, our established team has the capacity and ability to lend up to \$250 million, where there are fewer competitors. This added flexibility creates the opportunity for improved yields for policyowners.

Optimal positioning for public offerings

In public equity, our asset management partners Mackenzie Investments and Putnam Investments are well positioned to invest in both initial public offerings (IPOs) and secondary offerings. With our partners well positioned to secure investments given their scale and industry positioning, these offerings may be highly sought after by retail and institutional investors.

In public bonds, our large established team is amongst the largest in Canada. This positions the team well to participate in new, attractive offerings.



Partnerships with industry-leading asset management firms

Within private equity, the fund has committed to invest 4% of invested assets, or close to \$2 billion through partnerships including Sagard and Northleaf. Combining this participating account commitment with Great West Lifeco's broader commitment to invest in this asset class provides the account the opportunity to invest in specialized investment structures offered by some of the world's largest and most well-respected private equity firms

In public equity, we invest the majority of our holdings in actively managed funds at industry leading firms Mackenzie Investments and Putnam Investments.

↗ Unlike some participating insurance competitors which opt to simply mimic index performance, our managers work each day to deliver performance above and beyond their benchmarks.



Benefit

2

Development of specialized investment teams

Development of highly specialized teams supporting every part of the participating account's management.

The participating account size supports several established and experienced investment teams which manage each asset class. Smaller participating accounts are less likely to have similarly large, focused teams in place to drive returns for policyowners.

Three asset classes which highlight this scale and experience are real estate, commercial mortgages, and private debt.

☑ **Our size allows us to spread our investment expenses across a large base of assets, which helps keep our investment expenses low.**



Real estate

Our participating account policyowners benefit from having access to a team of more than 900 employees at GWL Realty Advisors Inc. and Everwest Real Estate Investors across 17 North American locations. This team drives returns for participating assets by sourcing new properties, developing new projects and optimizing existing holdings in the account.



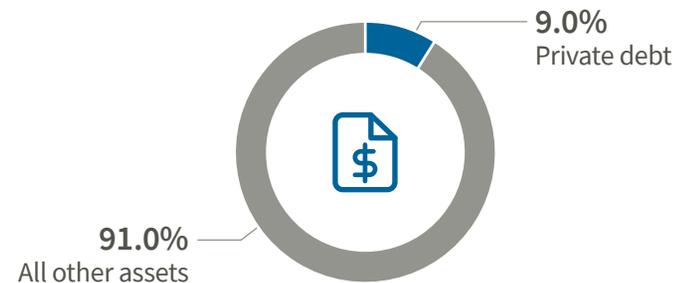
Commercial mortgages

Our size allows us to benefit from a dedicated team of more than 40 professionals, located in five regional offices across Canada. Local teams have the knowledge and connections to discover attractive investment opportunities for the participating account.



Private debt

The participating account is now benefitting from an expanded Global Private Debt team, with team members on the ground in three continents working actively to source assets for the participating account.



Asset class percentages are based on Canada Life combined open participating account assets, excluding surplus, as of September 30, 2022.

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Benefit



Lower account risk through asset diversification

The account's size and scale gives us the ability to **spread our investments** across a much wider range of assets. By investing in more diverse assets, our policyowners are less exposed to the risk tied to one or two investments.

Consider this:

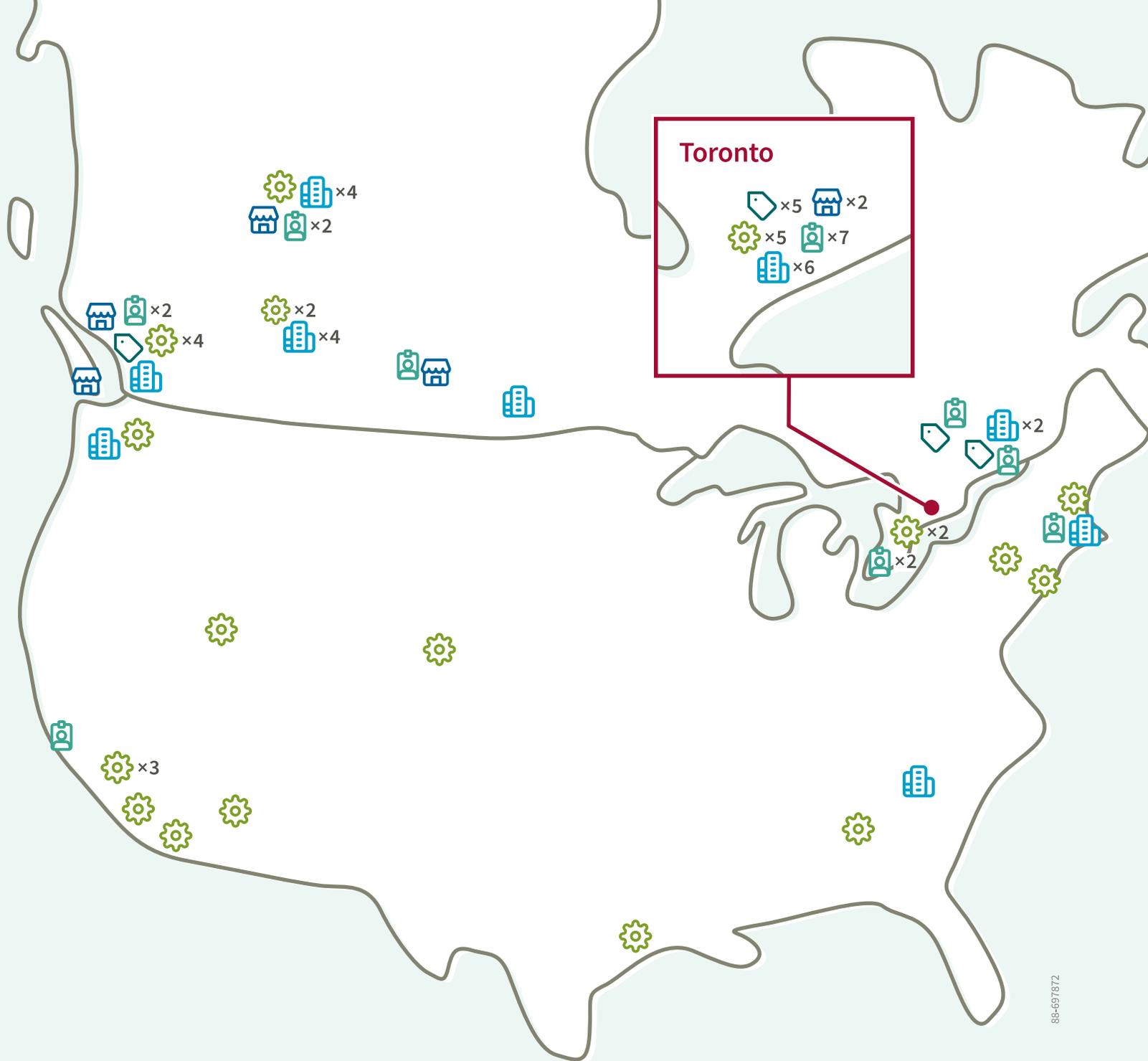
- In real estate, the participating account owns **more than 80 directly held commercial real estate properties**. These holdings are well diversified by sector and geography – significantly lowering our reliance on the success of one industry or location.
- In private debt, the account holds more than 300 assets, limiting our exposure to any one borrower.

Asset type	Total number of par properties
 Industrial	28
 Multi-residential	21
 Office	18
 Retail	8
 Other	6

Diversification of direct real estate holding by sector and geography

(as at September 30, 2022)

-  Industrial
-  Multi-residential
-  Office
-  Retail
-  Other



Benefit

4

Creating liquidity in illiquid asset classes

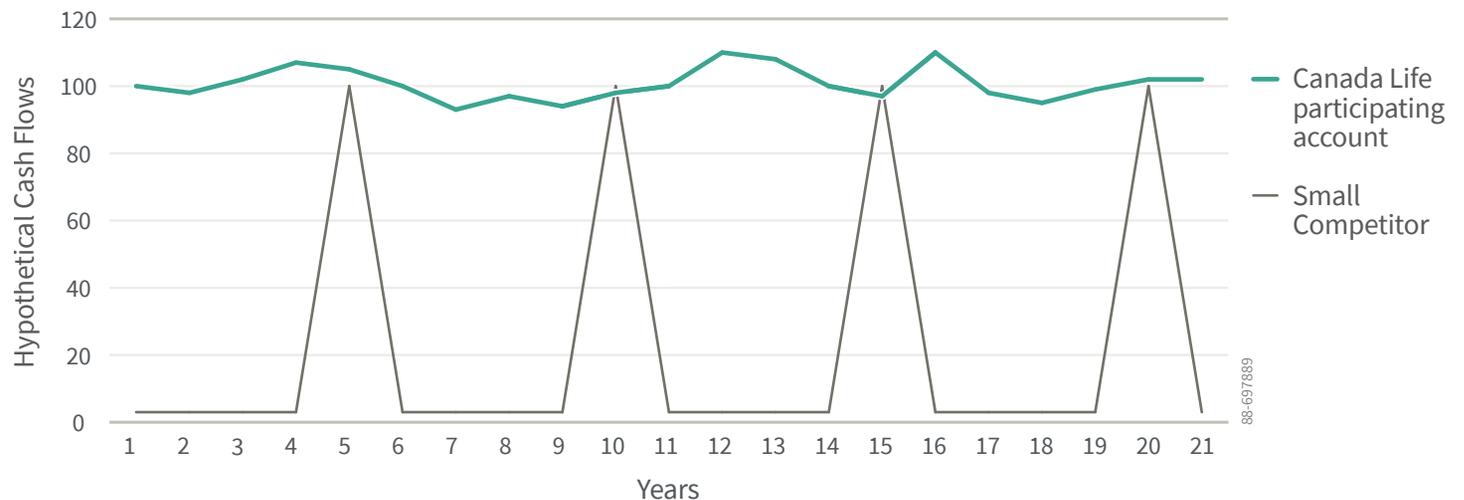
Approximately **46.8% of the par account's assets are invested in private asset classes**, which are generally difficult for retail clients to gain access to. Because of their illiquid nature, these private assets benefit our policyowners by providing additional potential return compared to public investments.

By having a large participating account, our investment teams can invest in a large number of private fixed income investments while staggering their maturity dates to create liquidity.

Canada Life's private fixed income liquidity

Canada Life participating account: In a rising rate environment, constantly maturing assets increase liquidity to allow improved reinvestment returns.

Small competitor: Infrequent maturities result in lower liquidity and fewer opportunities to reinvest at market spreads.



Learn more about
Canada Life
participating life
insurance



[Participating life insurance financial facts](#)

[Breaking down Canada Life's combined open participating account investment activity in 2021](#)

[Investing with conviction: Our relationship with Power Corporation of Canada](#)

[Investing with conviction: Canada Life's competitive advantages in commercial mortgages, real estate and private equity](#)

[Investing with conviction: A look at our participating account investment strategy](#)

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