

Canada Life Index ETF Portfolios

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Product guide

Canada Life

Index ETF Portfolios



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The why

Why Canada Life Index ETF Portfolios?

Reasons clients may want to invest in Canada Life Index ETF Portfolios

A comprehensive solution designed with simplicity in mind

Investing can be overwhelming with the number of solutions that are available to meet different financial needs. Clients who are looking for a simple way to invest may find value in Canada Life Index ETF Portfolios. This solution is designed for convenience through an all-in-one managed solution that offers the following benefits:

- Each portfolio has a **strategic asset mix** designed to provide investors with an appropriate risk/return profile over the long term
- The underlying funds deliver **instant diversification** across a number of dimensions – including across asset classes, geographies, sectors and market capitalizations. This reduces the dependence on one element or market trend, helping to provide a smoother investment journey over the longer term.
- Portfolios are **rebalanced** to strategic asset mixes to ensure investors are not over- or under-exposed to specific asset classes or regions
- The **protection benefits** of a segregated fund contract are provided in a **cost-efficient** manner through the use of exchange traded funds (ETFs)
- **Portfolio oversight** by a dedicated team of investment experts who seek to ensure the long-term intended asset mix aims to meet long-term investor goals

Additional layer of protection for your investments

Canada Life Index ETF Portfolios are managed solutions that are available to be held in segregated fund policies. This provides the growth potential offered by a broad range of investment funds with the unique wealth protection and estate planning features of an insurance contract. Clients can minimize exposure to risk through various guarantees, such as death and maturity guarantees. Segregated fund contracts can also offer the benefits of potential creditor protection and the ability to transfer wealth to the next generation quickly, privately, and cost effectively.¹

Diversified to reduce risk

The goal of diversification is to reduce investment risk by capitalizing on positive returns from one asset class/region/sector, to help offset the returns from another that might be underperforming. The Canada Life Index ETF Portfolios give clients access to investment solutions that are diversified in multiple ways – including across asset classes, geographies, sectors, and market capitalizations. Drawing on these different sources of return could help smooth out the investment journey over the long term.

¹Creditor protection depends on court decisions and applicable legislation, which can be subject to change and can vary by province; it can never be guaranteed. Clients should talk with their lawyers to find out more about the potential for creditor protection for their specific situations.

Lower-cost segregated fund option to meet client preferences

There may be risk-averse investors who value the protection benefits offered by a segregated fund policy but view this investment option as too expensive. Fees tend to be a key reason why some investors steer away from segregated funds. These fee-conscious clients who require a more conservative investment solution may see the benefits of Canada Life Index ETF portfolios. Through the use of passive ETFs, the principle-protection guarantees of a segregated fund policy are delivered in a cost-efficient manner.

Simplifying your business

As business owners, you have a lot to juggle. From developing financial plans for your clients and supporting them through volatile markets, to successfully navigating your business. It's important that you have the right investment solutions to help you manage and grow your business. Canada Life Index ETF Portfolios can help you simplify:

- Conversations with fee-sensitive clients – by offering a lower-cost solution you can make segregated funds and managed solutions more attractive to your cost-conscious clients
- Discussions of underperformance relative to the market – by providing a solution that aims to closely replicate market returns you may be able to minimize the need to support conversations about manager performance
- Portfolio construction and management – by delivering an all-in-one managed solution that automates rebalancing, you don't have to monitor and adjust client portfolios when market fluctuations cause underlying fund exposures to shift from their target allocations

How Canada Life Index ETF Portfolios can benefit advisors

The Canada Life Index ETF Portfolios offer a lower-cost all-in-one passively managed solution that is broadly diversified to meet client needs while delivering market-like returns.

Meeting a diverse range of client needs

Your clients' have diverse needs, preferences, and beliefs. For example, you may come across the following types of clients:

- Clients who are fee-conscious
- Clients whose primary purchase preference are ETFs
- Clients who value passively managed products over actively managed products
- Clients who may be interested in the protection benefits provided by seg funds but view seg funds as too expensive

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By adding the Canada Life ETF Portfolios to your solution set, you can be prepared to cater to these different client needs. This can help avoid a situation whereby clients look elsewhere for these solutions and advice.

Grow your business by attracting a new segment of clients

Recent volatility has caused an increase in risk consciousness, not just amongst retirees and pre-retirees but also in other client segments such as younger clients. These younger generations also tend to be more sensitive to fees and/or see value in ETF solutions. While the protection benefits of segregated funds contracts have typically been more appealing to older generations, these features may be attractive to younger generations who have lived through more volatile markets. By adding Canada Life Index ETF Portfolios to your roster of products, you have the opportunity to capture a younger audience who may be more risk conscious and fee sensitive.

Key messages

Canada Life Index ETF Portfolios

A suite of all-in-one diversified index ETF portfolios in a simple cost-efficient solution with the added protection offered by segregated fund contracts.

Convenience of an all-in-one managed solution

Designed to deliver a portfolio that provides a strong foundation, global diversification, and professional oversight

- **Core Portfolio:** A simple and efficient way to gain exposure to a portfolio of ETFs that is well-diversified by asset class and across regions, in one convenient solution.
- **Strategic asset allocation:** Each portfolio is uniquely designed to optimize return potential for a given level of risk to meet the needs of a range of investors.
- **Globally diversified:** The portfolios provide exposure to Canadian, U.S., international and emerging market equities and fixed income which can help create a smoother investment experience.
- **Rebalancing:** Continuously monitored and will be rebalanced as needed. This helps to ensure you're not over-/under-exposed to any particular asset class or region.
- **Professional oversight:** A team dedicated to establishing and reviewing the strategic asset mix of each portfolio based on the long-term global investment outlook.

Protection of a segregated fund policy

Opportunities to grow your wealth with guarantee features designed to protect your savings.

- **Principal protection:** A guarantee of the principal (or a specified percentage) at maturity and death
- **Resets:** Automatic annual reset options, if selected, help you lock-in market gains.²
- **Estate planning advantages:** Death benefit proceeds of a segregated fund contract can pass directly to your beneficiary avoiding delays and additional fees.
- **Potential creditor protection:** Protect your legacy by ensuring your beneficiaries take priority over the claim of creditors even if you owe money, are sued or file for bankruptcy.³

Value of a cost-efficient structure

Lower costs can translate into greater savings and more growth potential.

- **Passively managed ETFs:** The underlying funds are invested in passive ETFs which provide simple, cost-effective access to diversification across domestic and foreign markets
- **Comprehensive solution:** These lower-cost all-in-one portfolios provide an efficient, effective way to combine passive ETF features with segregated fund benefits.

²There are additional fees for reset options.

³In provinces other than Quebec, segregated fund policies may be protected from the policyowner's creditors where the policy's designated beneficiary is the spouse, parent, child or grandchild of the annuitant. In Quebec, creditor protection is available where the designated beneficiary is either an ascendant or descendent of the policyowner. In addition, insurance legation provides potential creditor protection to segregated fund policies when there is an irrevocable beneficiary. Creditor protection depends on court decisions and applicable legislation and can be subject to change and can vary from each province; it can never be guaranteed. Clients should talk to their lawyer to find out more about the potential for creditor protection for their specific situation.

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The what

Canada Life Index ETF Portfolios				
	Canada Life Index ETF Conservative Portfolio	Canada Life Index ETF Balanced Portfolio	Canada Life Index ETF Growth Portfolio	
Sub-advisor	Portfolio Solutions Group (PSG) a division of Canada Life Investment Management Ltd.			
Start date	Oct. 24, 2022			
Benchmark				
FTSE Canada Universe Bond	35%	20%	10%	
Bloomberg Global Aggregate Total Return (CAD-Hedged)	35%	20%	10%	
S&P/TSX Composite Total Return	9%	18%	24%	
MSCI All Country World Index (ACWI) Gross Return	21%	42%	56%	
Category (CIFSC)	Global Fixed Income Balanced	Global Neutral Balanced	Global Equity Balanced	
Risk rating	Low	Low to moderate	Low to moderate	
Series	For segregated funds: SS, PS, PS1, PPS, and PS2			
Distribution policy	The earnings of each segregated fund are reinvested in the same segregated fund according to its investment objectives and investment strategies.			
Fees				
Segregated Fund 75/100 standard series	Investment management fee*	1.85%	2.20%	2.25%
	FEL trailer	0.75%	1.00%	1.00%
*The fees in this table are reflective of the time of initial launch. Changes to these fees may occur over time.				

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Canada Life Index ETF Conservative Portfolio

The fund is for a person who is investing for the medium to longer term, wants exposure to a globally diversified investment portfolio in one fund with a target of no more than 30 percent invested in equities and is comfortable with low risk.

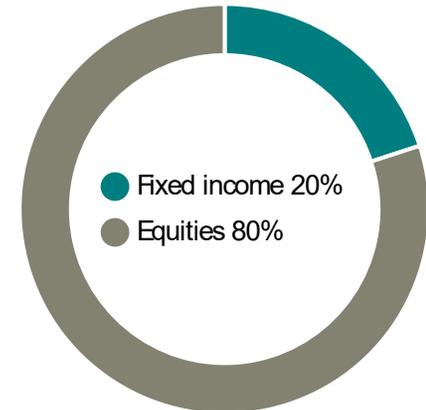
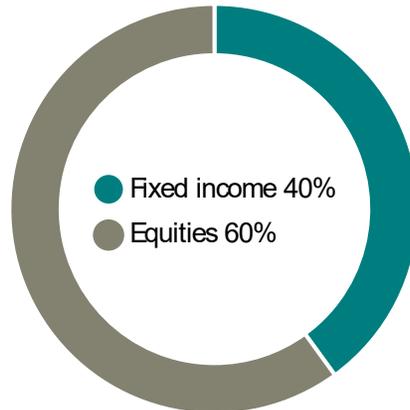
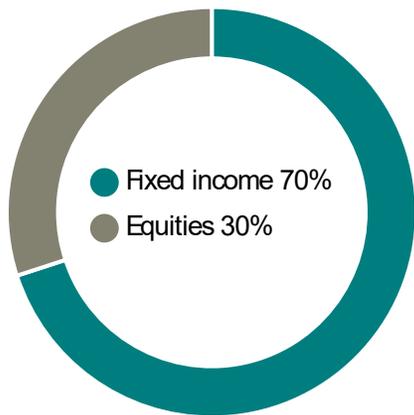
Canada Life Index ETF Balanced Portfolio

The fund is for a person who is investing for the medium to longer term, wants exposure to a globally diversified investment portfolio in one fund with a target of no more than 40 percent invested in fixed income and is comfortable with low to moderate risk.

Canada Life Index ETF Growth Portfolio

The fund is for a person who is investing for the medium to longer term, wants exposure to a globally diversified investment portfolio in one fund with a target of no more than 20 percent invested in fixed income and is comfortable with low to moderate risk.

Target asset mix



Canada Life Index ETF Portfolios



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Fund breakdown

The underlying funds in which the Canada Life Index ETF Portfolios invest are managed by Mackenzie Investments. Underlying funds and their weight within the portfolio may change from time to time.

		Canada Life Conservative Index ETF Portfolio	Canada Life Balanced Index ETF Portfolio	Canada Life Growth Index ETF Portfolio
Equity	Asset Class	30%	60%	80%
Canadian Equity Index ETF Fund	Canadian Equity	9.00%	18.00%	24.00%
US Large Cap Equity Index ETF Fund	US Equity	12.00%	24.00%	32.00%
International Equity Index ETF Fund	International Equity	7.50%	15.00%	20.00%
Emerging Markets Equity Index ETF Fund	Emerging Market Equity	1.50%	3.00%	4.00%
Fixed Income		70%	40%	20%
Canadian Aggregate Bond Index ETF Fund	Canadian Bonds	35.00%	20.00%	10.00%
U.S. Aggregate Bond Index ETF Fund	US Bonds	26.25%	15.00%	7.50%
Developed Markets Ex-US Index ETF Fund	International Bonds	7.00%	4.00%	2.00%
Emerging Markets Bond Index ETF Fund	Emerging Markets Bonds	1.75%	1.00%	0.50%
Total		100%	100%	100%

The who

Canada Life Index ETF Portfolios

About PSG

Canada Life Index ETF Portfolios are constructed and maintained by PSG. With 18 years average investment management experience, this team is responsible for over \$28 billion in fund-of-fund assets (as at June 30, 2022) across Canada Life's target date, target risk and other specialty asset allocation solutions. As experts in multi-asset investing, PSG's portfolios are aimed at helping investors meet specific investment objectives, whether that is based on risk tolerance, time horizon or both.

PSG Portfolio Managers



Susan Spence
Vice-President and
Portfolio Manager

Susan is Vice-President and Portfolio Manager at PSG. Since 2011, she's played a lead role overseeing Canada Life's target-date and target-risk asset allocation fund solutions. She's responsible for the entire team and oversees portfolio management and risk management of the asset allocation portfolios, including independent screening, selection, due diligence and monitoring of each investment manager and underlying fund component.

Susan joined the Laketon team, an equity investment division of GLC Asset Management Group Ltd., in 1996, where she held progressively senior roles, most notably co-lead manager for the Canadian Growth equity mandate. Susan also has experience managing U.S. equity mandates and working as a global equity analyst. Susan holds an Honours Bachelor of Commerce degree from Queen's University. She's also a CFA charterholder.



Janet Salter
Vice-President and
Portfolio Manager

Janet is Vice-President and Portfolio Manager at PSG. Since 2021, Janet's responsibilities include portfolio management and risk management of the asset allocation funds as well as focused responsibilities to oversee and advance glide path design. Glide path design deals with the asset allocation adjustments needed to balance growth potential and risk management as an investor gets closer to retirement.

Janet brings more than 25 years of portfolio management expertise to the table, having joined PSG from Portico Investment Management, the fixed income division of GLC Asset Management Group Ltd. Her experience and expertise spans active and passive fixed-income strategies, including customized mandates for pension plans and financial institutions. She also brings 15 years as a contributing member of several multi-asset strategic mix committees that oversaw the strategic and tactical asset mix decisions for balanced, target date and target risk asset allocation fund solutions.

Janet holds an Honours Bachelor of Mathematics degree from the University of Waterloo. She's also a CFA charterholder.

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Chris Koltek
Institutional Client
Portfolio Strategist

A member of PSG since 2021, Chris is imbedded with PSG's investment team and acts as the central source of product knowledge for the asset allocation funds, supporting internal and external stakeholders.

Chris brings over 22 years of investment industry expertise to the table, having joined PSG after 11 years with Canada Life as a Private Wealth Counsellor providing advanced planning and multi-class asset allocation portfolio expertise by developing customized investment portfolios for high-net-worth families and business owners.

Chris is a CFA charterholder and holds a Masters of Business Administration degree from Queen's University and a Bachelor of Arts degree from University of Manitoba.



Igor Ivanic
Manager

A member of PSG since 2013, Igor has held progressively increasing responsibilities focused on leading in-depth performance and market analysis and reporting for the asset allocation funds. He also contributes to all aspects of portfolio management of the funds.

Igor holds a Bachelor of Management and Organizational Studies (Finance) degree from Western University. He's also a CFA charterholder.



Lanre Adebayo
Associate Manager

A member of PSG since 2021, Lanre supports in-depth performance and market analysis, reporting and risk management for the asset allocation funds.

Lanre brings 8 years of investment industry expertise to the table, having joined PSG after over 3 years with Canada Life in risk management and asset/liability management roles and prior analytical experience at outside organizations.

Lanre is a CFA and FRM charterholder and holds a Bachelor of Commerce (Honours) degree from University of Manitoba.

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The how

Canada Life Index ETF Portfolios

Investment approach

PSG's investment process includes several key tenants:

- **Set a strong foundation** – PSG identifies an optimal asset mix that will efficiently meet the objectives of each fund – taking into consideration investors' return expectations and risk appetite.
- **Investment selection** – PSG applies an index selection process and aims to select ETFs that effectively replicate the returns of broad market exposure with little tracking error at a lower cost.
- **Disciplined rebalancing** – Market volatility can cause portfolios to drift from the target strategic weights. Constant monitoring ensures the portfolios' asset mixes remain appropriately positioned for the long-term. PSG has a robust process in place to rebalance the portfolios when required.
- **Ongoing monitoring** - PSG tracks a variety of performance and risk statistics. This monitoring helps to ensure that long-term asset class return expectations, risk and correlation factors continue to support the current strategic asset mixes. If necessary, PSG will amend the strategic asset mix to ensure the portfolios continue to be positioned for long-term success.

Underlying fund details

Canada Life Underlying Fund	Ticker	Asset class	Description
Canadian Aggregate Bond Index ETF Fund (invests in the: <i>Mackenzie Canadian Aggregate Bond Index ETF</i>)	QBB	Canadian Bonds	The ETF invests primarily in Canadian investment grade bonds. It seeks to replicate, the performance of the Solactive Canadian Float Adjusted Universe Bond Index. The index seeks to provide a broad measure of the Canadian investment grade fixed income market, covering government, quasi-government, and corporate bonds.
U.S. Aggregate Bond Index ETF Fund (invests in the: <i>Mackenzie US Aggregate Bond Index ETF (CAD-Hedged)</i>)	QUB	US Bonds	It invests primarily in U.S. investment grade fixed income securities. The ETF seeks to replicate, the performance of the Solactive US Aggregate Bond Hedged to CAD Index. The Index is a market capitalization-weighted index that represents a wide spectrum of public, U.S., investment grade fixed income securities.

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Developed Markets Ex-US Index ETF Fund (invests in the: <i>Mackenzie Developed ex-North America Aggregate Bond Index ETF (CAD Hedged)</i>)	QDXB	International Bonds	It invests primarily in investment grade fixed-income securities of developed world markets, excluding North America. The ETF seeks to replicate, the performance of the Solactive Ex-North America DM Select Global Aggregate Bond Hedged to CAD Index. The Index is a market capitalization-weighted index that represents a wide spectrum of public, developed markets ex-North America, investment grade fixed income securities.
Emerging Markets Bond Index ETF Fund (invests in the: <i>Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)</i>)	QEBH	Emerging Market Bonds	It invests primarily in emerging market bonds. The ETF seeks to replicate, the performance of the Solactive EM USD Govt & Govt Related Bond Select CAD Hedged NTR Index. The Index invests primarily in U.S. denominated, emerging market government bonds and government related bonds.
Canadian Equity Index ETF Fund (invests in the: <i>Mackenzie Canadian Equity Index ETF</i>)	QCN	Canadian Equity	It invests primarily in Canadian equity securities. The ETF seeks to replicate, the performance of the Solactive Canada Broad Market Index. The Index is a market capitalization-weighted index of securities that broadly represent the Canadian stock market. It includes common stocks and income trust units.
US Large Cap Equity Index ETF Fund (invests in the: <i>Mackenzie US Large Cap Equity Index ETF</i>)	QUU	US Equity	It invests primarily in U.S. equity securities. The ETF seeks to replicate, the performance of the Solactive US Large Cap Index. It invests primarily in U.S. equity securities. The Index is a market capitalization-weighted index of securities that represent the large capitalization segment of the U.S. stock market.
International Equity Index ETF Fund (invests in the: <i>Mackenzie International Equity Index ETF</i>)	QDX	International Equity	It invests primarily in equities of developed countries outside North America. The ETF seeks to replicate, the performance of the Solactive GBS Developed Markets Ex-North America Large & Mid Cap CAD Index. The Index is a market capitalization-weighted index of securities that captures large and mid-capitalization representation across developed market countries around the world, excluding North America.
Emerging Markets Equity Index ETF Fund (invests in the: <i>Mackenzie Emerging Markets Equity Index ETF</i>)	QEE	Emerging Market Equity	It invests primarily in equity securities in emerging markets. The ETF seeks to replicate, the performance of the Solactive GBS Emerging Markets Large & Mid Cap Index. The Index is a market capitalization-weighted index. The index intends to track the performance of the large and mid cap segment covering approximately the largest 85% of the free-float market capitalization in the Emerging Markets.

Make your investment decisions wisely. A description of the key features of the segregated fund policy is contained in the information folder. **Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.**

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