

Canada Life combined open participating account – total account

Excludes former New York Life, former Crown Life, and Canada Life closed blocks

Account details as of September 30, 2022

Account size: \$48,813.9 million

Canada Life™ combined open participating account investment objectives:

- Primary objective: Provide stable, long-term growth.
- Secondary objective: Provide returns that are partially responsive to changing economic conditions.

Investment guidelines

The company's investment division manages participating account assets. Our asset/liability management group monitors the overall asset mix and manages investment activity within investment guideline parameters. Investment guidelines must be formally approved and consider business objectives, liability characteristics, liquidity requirements, tax considerations and interest rate risk tolerance.

A large portion of the open participating account's assets is invested in fixed income assets to support long-term, stable growth and core guarantees within participating life insurance policies.

Our asset/liability management group uses cash flow matching techniques, so asset cash flows are sufficient to meet obligations. A portion of the portfolio is reinvested each year so returns reflect interest rate trends.

Our investment strategy helps stabilize the variation in the investment returns. We use the returns on the assets backing participating account liabilities to determine the investment portion of participating policyowner dividends.

Assets	Asset values (\$ millions)	Percentage of total assets backing liabilities
Short term		
Cash and equivalents	\$1,025.7	2.2%
Total short term	\$1,025.7	2.2%
Fixed income		
Public bonds		
Government	\$3,217.0	7.0%
Corporate	\$9,618.9	21.1%
Private placements	\$4,115.3	9.0%
Mortgages		
Residential	\$1,639.6	3.6%
Commercial	\$9,560.3	20.9%
Total fixed income	\$28,151.1	61.6%
Non-fixed income (real estate and equities)		
Real estate	\$5,322.2	11.7%
Public equities		
Common stock	\$6,937.7	15.2%
Preferred stock	\$5.5	0.0%
Private equities	\$746.2	1.6%
Total non-fixed income	\$13,011.6	28.5%
Total invested assets backing liabilities	\$42,188.4	92.4%
Policy loans	\$2,794.2	6.1%
Other assets¹	\$697.2	1.5%
Total assets backing liabilities²	\$45,679.8	100.0%
Total assets backing surplus	\$3,134.1	n/a
Total participating account assets	\$48,813.9	n/a

¹ Includes assets such as investment income due and accrued, outstanding premiums (receivables), future income tax and reinsurance assets.

² The assets considered in determining the dividend scale interest rate. Policy loans and other assets backing liabilities are classified as fixed income and considered in the overall target asset mix of 70% fixed income and 30% non-fixed income.

We follow these guidelines to manage the allocation of invested assets for the participating account by asset class. The guideline table below shows the investment guidelines applicable to the total participating account including surplus. The assets backing participating account surplus are primarily invested in fixed income investments.

Assets	Percentage of total assets including surplus	Investment guidelines
Cash and equivalents	2.5%	0-5%
Public bonds and private placements	40.6%	30-65%
Residential and commercial mortgages	23.2%	15-40%
Total fixed income	63.8%	n/a
Real estate	10.9%	0-15%
Public Equity	14.2%	10-20%
Private Equity	1.5%	0-6%
Preferred Stock	0%	0-5%
Total non-fixed income	26.7%	n/a
Policy loans and other assets	7.0%	n/a
Total participating account assets backing liabilities	100.0%	n/a

Notes:

The investment guidelines displayed apply to the total of both assets backing participating account liabilities and surplus. These ranges do not include the categories of policy loans or other assets.

Asset values are based on International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), effective Jan. 1, 2011.

Totals throughout this report may not add up to 100% due to rounding.

Assets backing the Canada Life Open liabilities are pooled with the assets backing Canada Life closed liabilities (all Canada Life policies issued prior to demutualization on Nov. 5, 1999). The asset values provided are approximate splits and are provided for informational purposes only.