

## 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 December 31, 2023

**Account size:** \$53,369.8 million

### **Canada Life<sup>TM</sup> 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.

Account composition	Asset values (\$ millions)	% of total assets backing liabilities	% of account
<b>Short term</b>			
Cash and equivalents	759.0	1.5	1.7
<b>Fixed-income</b>			
<b>Public bonds</b>			
Government	2,585.5	5.1	9.0
Corporate	10,798.0	21.4	21.4
Subtotal of bonds	13,383.4	26.5	30.4
Private debt	5,933.2	11.7	11.1
<b>Mortgages</b>			
Residential	1,129.0	2.2	2.1
Commercial	9,612.5	19.0	18.0
Subtotal of mortgages	10,741.5	21.2	20.1
Other fixed-income <sup>1</sup>	470.8	0.9	0.9
<b>Total fixed-income</b>	<b>30,528.9</b>	<b>60.4</b>	<b>62.6</b>
<b>Non-fixed income</b>			
Real estate	5,313.4	10.5	10.0
Public equity <sup>2</sup>	8,415.9	16.7	15.8
Private equity	1,186.3	2.3	2.2
<b>Total non-fixed income</b>	<b>14,915.7</b>	<b>29.5</b>	<b>27.9</b>
<b>Total invested assets backing liabilities</b>	<b>46,203.5</b>	<b>91.5</b>	<b>92.3</b>
<b>Other non-invested assets<sup>3</sup></b>	<b>1,227.2</b>	<b>2.4</b>	<b>1.9</b>
<b>Total participating account assets backing liabilities</b>	<b>47,430.7</b>	<b>93.9</b>	<b>94.2</b>
<b>Policy loans</b>	<b>3,080.2</b>	<b>6.1</b>	<b>5.8</b>
<b>Total assets backing liabilities plus policy loans<sup>4</sup></b>	<b>50,510.8</b>	<b>100.0</b>	
<b>Assets backing surplus</b>	<b>2,859.0</b>		
<b>Total account</b>	<b>53,369.8</b>		<b>100.0</b>

<sup>1</sup> Other fixed income includes alternative fixed-income assets such as Equity Release Mortgages (ERMs) and private credit.

<sup>2</sup> Public Equity includes other invested assets, such as preferred shares.

<sup>3</sup> Includes assets such as investment income due and accrued, outstanding premiums (receivables), future income tax and reinsurance assets.

<sup>4</sup> The assets considered in determining the dividend scale interest rate.

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.

	Percentage of invested assets backing liabilities including surplus	Investment guidelines
Cash and equivalents	1.9%	0-5%
Public bonds and private debt	45.1%	30-60%
Mortgages	21.8%	15-35%
Other fixed income	1.0%	0-10%
<b>Total fixed income</b>	<b>67.8%</b>	<b>N/A</b>
Public equity	17.1%	10-20%
Private equity	2.4%	0-6%
Real estate	10.8%	0-15%
<b>Total non-fixed income</b>	<b>30.3%</b>	<b>N/A</b>
<b>Other invested assets</b>	<b>0.0%</b>	<b>0-5%</b>
<b>Total participating account assets backing liabilities</b>	<b>100%</b>	<b>N/A</b>

Notes:

The figures presented in this document are determined in accordance with International Financial Reporting Standards (IFRS), effective Jan 1, 2023. Under the new standards all assets are presented on a mark-to-market basis and policy loans are no longer considered an asset of the par account but are included in the calculation of the dividend scale interest rate.

The investment guidelines displayed apply to total assets backing participating account liabilities and surplus. These ranges do not include the category of policy loans, which are not invested. 'Other Fixed Income' includes alternative fixed income assets such as Equity Release Mortgages (ERMs) and private credit. 'Other invested assets' include debt substitutes such as preferred shares.

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.