

# Canada Life participating account – equity holdings

Excludes former New York Life and Crown Life blocks



## Account details

at Dec. 31, 2019

**Portfolio size:** \$1,622.5 million

**Proportion of total assets of the Canada Life™ participating account:** 19.4 per cent

## Investment guidelines

Real estate is managed by GWL Realty Advisors, Inc. (GWLRA). GWLRA is a wholly owned subsidiary of The Great-West Life Assurance Company with eight offices in major centres across Canada.

Common stocks are managed by GLC Asset Management Group Ltd. (GLC). The stock portfolios are diversified by growth/income characteristics and by investment management style through GLC's investment divisions: GWL Investment Management (GWLIM) and Laketon Investment Management (Laketon). Each division pursues its own unique investment style, process and philosophy. The funds are diversified portfolios of publicly traded stocks, primarily Canadian securities.

Most preferred stock is managed directly by the bond unit, which manages the general account bond investments in Canada for Canada Life.

## Investments by manager

at Dec. 31, 2019

|                                 | \$ Millions | Percentage |
|---------------------------------|-------------|------------|
| Equity fund managers            |             |            |
| GLC Asset Management Group Ltd. |             |            |
| GWLIM                           | \$550.1     | 33.9%      |
| Laketon                         | \$635.5     | 39.2%      |
| GWLRA                           | \$385.6     | 23.8%      |
| Everwest                        | \$29.6      | 1.8%       |
| Direct                          | \$21.7      | 1.3%       |
| Total equity assets             | \$1,622.5   | 100.0%     |

## Investment mix

at Dec. 31, 2019

|                     | \$ Millions | Percentage |
|---------------------|-------------|------------|
| Equity type         |             |            |
| Common stock        | \$1,119.5   | 69.0%      |
| Real estate         | \$487.5     | 30.0%      |
| Private equity      | \$15.4      | 1.0%       |
| Total equity assets | \$1,622.5   | 100.0%     |

Notes:

- Asset values are based on International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB), effective Jan. 1, 2011
- Throughout the report, totals may not add up to 100 per cent due to rounding

## Common stocks by sector

At Dec. 31, 2019

| Sector                        | Percentage |
|-------------------------------|------------|
| Banks                         | 22.4%      |
| Energy                        | 14.1%      |
| Real estate investment trusts | 8.6%       |
| Insurance                     | 6.3%       |
| Transportation                | 6.2%       |
| All other sectors             | 42.5%      |

## Major holdings

at Dec. 31, 2019

|                                    | Percentage of common stock holdings | Percentage of total participating assets |
|------------------------------------|-------------------------------------|--|
| Royal Bank of Canada               | 6.8%                                | 1.0%                                     |
| Toronto-Dominion Bank              | 6.7%                                | 1.0%                                     |
| Bank of Nova Scotia                | 4.3%                                | 0.6%                                     |
| Brookfield Asset Management        | 3.7%                                | 0.5%                                     |
| Suncor Energy Inc.                 | 3.6%                                | 0.5%                                     |
| Manulife Financial Corporation     | 3.2%                                | 0.5%                                     |
| Enbridge Gas Distribution Inc.     | 3.2%                                | 0.5%                                     |
| CP Railway Ltd.                    | 2.7%                                | 0.4%                                     |
| Bank of Montreal                   | 2.5%                                | 0.4%                                     |
| Canadian Natural Resources Limited | 2.4%                                | 0.3%                                     |
| <b>Total major holdings</b>        | <b>39.2%</b>                        | <b>5.6%</b>                              |

## Historical average returns

at Dec. 31, 2019

|                                      | 1-year (2019) | 2-year (2018–2019) | 3-year (2017–2019) | 4-year (2016–2019) | 5-year (2015–2019) | 10-year (2010–2019) |
|--------------------------------------|---------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Equities                             | 15.5%         | 5.4%               | 6.9%               | 9.3%               | 6.9%               | 8.6%                |
| S&P/TSX composite total return index | 22.9%         | 5.8%               | 6.9%               | 10.3%              | 6.3%               | 6.9%                |
| Five-year GICs                       | 2.1%          | 1.9%               | 1.7%               | 1.6%               | 1.6%               | 1.7%                |

Performance data are provided for illustrative purposes only and represent past performance, which is not necessarily indicative of future performance.

The return on the equities of the participating account reflects the return on the equity assets backing liabilities and surplus, after investment expenses are deducted. The return on the equities of the participating account is in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), effective Jan. 1, 2011.

Common stock returns, are valued on a marked-to-market basis, in other words, not smoothed. With the adoption of IFRS, effective Jan. 1, 2011, real estate returns are also valued on a marked-to-market basis. The return on the equities contributes to the overall investment performance of the total participating account.

S&P/TSX composite total return index includes the reinvestment of dividends. TSX © Copyright 2020 TSX Inc. All rights reserved.

Five-year guaranteed investment certificate (GIC) returns are the nominal yields to maturity taken from Statistics Canada, CANSIM series V80691341 (Bank of Canada website), Feb. 28, 2020.