Canada Life Generations™

Generations core
Generations I
Generations II

Information folder
May 2025

Segregated funds

Digital copy available at Canadalife.com/informationfolders

The Canada Life Assurance Company is the sole issuer of the individual variable annuity policy described in this information folder. This information folder is not an insurance or annuity contract.

This information folder is not complete without the applicable fund facts booklet. Both the information folder and fund facts booklet must be received.

Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

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This is to certify that this information folder provides brief and plain disclosure of all material facts relating to the Canada Life Generations Contracts referred to herein an individual variable insurance contract issued by The Canada Life Assurance Company.

March 25, 2025

Fabrice Morin
President and Chief Operating Officer, Canada

Colleen Myers
Senior Vice-President Legal Canadian Operations, Canada

About Canada Life

The Canada Life Assurance Company, a subsidiary of Great-West Lifeco Inc. and a member of the Power Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country's first domestic life insurance company. The terms and conditions of the policies issued by Canada Life and the distribution of the policies are governed by the insurance acts of the provinces and territories in Canada where Canada Life carries on business.

Contacting us

If you would like to reach The Canada Life Assurance Company (Canada Life™) to communicate instructions concerning your Canada Life Policy, you may use the following means:

Call our client service centre at 1-888-252-1847. Our Client Service Representatives would be pleased to help you with any questions or requests you have. Our Client Service Centre can also be reached by email at **isp_customer_care@canadalife.com**.

Go to our website at **canadalife.com** and sign in using the link on the site. Then select Personal Investment and Insurance to visit My Canada Life. Through My Canada Life you can switch to e-statements, update your contract details and download important documents anytime.

Write to Canada Life at one of our administrative offices:

The Canada Life Assurance Company
Wealth Operations
255 Dufferin Ave
London ON N6A 4K1

or

The Canada Life Assurance Company
Wealth Operations
1350 René-Lévesque Blvd W., M-1110
Montréal QC H3G 1T4

Key facts about the Canada Life Generations individual variable insurance contract

This summary provides a brief description of the basic things you should know before you apply for this individual variable insurance contract. This summary is not your contract. A full description of all the features and how they work is contained in this information folder and your contract. You should review these documents and discuss any questions you have with your advisor.

What am I getting?

You are getting an insurance contract between you and The Canada Life Assurance Company. It gives you a choice of segregated funds and provides certain guarantees.

You can:

- Pick a registered or non-registered contract
- Choose an investment option
- Choose a guarantee level
- Choose one or more segregated funds
- Name a person to receive the death benefit
- Withdraw money from your contract
- Receive regular payments now or later

The choices you make may affect your taxes, see the section *Income tax considerations*. They could also affect the guarantees, see the section *How redeeming units affects the guaranteed amount*. Ask your advisor to help you make these choices.

The value of your contract can go up or down subject to the guarantees.

What guarantees are available?

You get maturity and death benefit guarantees. These help protect your fund investments. You have a choice of three guarantee levels. You pay fees for this protection, which are included in the investment management fee, and the fees are different for each level. The guarantee levels are for a :

- Generations Core policy - 75 per cent maturity and death benefit guarantees
- Generations I policy - 75 per cent maturity guarantee and 100 per cent maximum death benefit guarantee
- Generations II policy - 100 per cent maximum maturity guarantee and 100 per cent maximum death benefit guarantee

For full details about each of the guarantee levels, see the *Guarantees* section. For details on the cost, see the *Fees and expenses* section.

If you select a Generations II policy, you may also get added protection from a reset option and an additional fee may apply. For details, see the *Guarantees section – Generations II Policy* and the *Death Benefit Guarantee Reset Option and Maturity Guarantee Reset Option* sections. The fee for the reset option is described in the *Fees and expenses* section.

Any withdrawals you make will reduce your maturity and death guarantees. For full details, please see the *How redeeming units affects the guaranteed amount* section.

Maturity guarantee

This protects the value of your investment at one or more specific dates in the future. These dates are explained in the *Guaranteed benefits* section.

On these dates, you will receive the greater of:

- The market value of the funds, or
- 75 per cent of the money you put in the funds

You can get up to a 100 per cent death benefit guarantee. This will cost you more.

For full details about the guarantees, see the *Guarantees* section. For details of the costs, see the *Fees and expenses* section.

Death benefit guarantee

This protects the value of your segregated fund investment if the insured person dies. It is paid to someone you name.

The death benefit applies if the insured person dies before the maturity date. It pays the greater of:

- The market value of the funds, or
- 75 per cent of the money you put in the funds

You can get up to a 100 per cent death benefit guarantee. This will cost you more.

For full details about the guarantees, see the *Guarantees section.* For details of the costs, see the *Fees and expenses section.*

What investments are available?

You can invest in segregated funds, as described in the *Fund Facts* booklet provided with this information folder, guaranteed interest options and a daily interest option. The maturity and death benefit guarantees only apply to segregated funds.

Other than maturity and death benefit guarantees, Canada Life does not guarantee the performance of the segregated funds. Carefully consider your tolerance for risk when you select a fund.

How much will this cost?

The types of guarantees, the segregated funds and the sales charge options you select affect your costs.

As of June 1, 2023, the deferred sales charge option is only available for new contributions received from existing policyowners or for internal transfers as per our administrative guidelines.

If you invest in funds, you can choose either the no-load option or the deferred sales charge option. For full details, see the *Sales charge options* section.

Fees and expenses are deducted from the segregated funds. They are shown as management expense ratios or MERs on each Fund Fact, which can be found in the *Fund Facts* booklet.

If you select a reset option, an additional fee may apply.

If you make certain transactions or other requests, you may be charged separately for them and this includes a short-term trading fee.

For full details, see the section *Fees and expenses* and the *Fund Facts* booklet, which is provided with this information folder.

What can I do after I purchase this contract?

If you wish, you can do any of the following:

Switches

You may switch from one fund to another within the same sales charge option. See the section *Allocating Premiums to a Fund*, *Redeeming Fund Units and Switching Fund Units.*

Withdrawals

You can withdraw money from your contract. If you decide to, this will affect your guarantees. You may also need to pay a fee or taxes. See the section *Allocating Premiums to a Fund, Redeeming Fund Units and Switching Fund Units.*

Premiums

You may make lump-sum or regular payments. See the section *Allocating Premiums to a Fund, Redeeming Fund Units and Switching Fund Units*.

Resets

If you select a Generations II policy with a reset option and the market value of the segregated fund units, on a specific date, is greater than the existing guarantee amount, the guarantee amount will be reset to the higher amount. Certain restrictions, conditions and fees apply. For details about the reset options, see the *Generations II – Death Benefit Guarantee Reset Option and Generations II – Maturity Guarantee Reset Option* sections.

Payout annuity

At a certain time, unless you select another option, we will start making payments to you. See the section *What happens on the Account Final Maturity Date*.

Certain restrictions and other conditions may apply. Review the contract for your rights and obligations and discuss any questions with your advisor.

What information will I receive about my contract?

We will tell you at least once a year the value of your investment and any transactions you have made during the year.

You may request more detailed financial statements for the segregated funds. These are updated at certain times during the year.

For full details, see the section *Keeping track of your investments.*

Can I change my mind?

Yes, you can:

- Cancel the contract
- Cancel any additional lump-sum premium you make
- Cancel the initial pre-authorized chequing premium

To do any of these, you must tell us in writing within two business days of the earlier of:

- The day you receive the confirmation of your transaction, or
- Five business days after we mail the confirmation to you

The amount returned will be the lesser of the amount you invested or the current value of the units you acquired on the day we process your request. The amount returned will include a refund of any sales charges or other fees you paid. The transaction may generate a taxable result and you are responsible for any income tax reporting and payment that may be required.

If you change your mind about a specific additional premium, the right to cancel only applies to that transaction.

Where can I get more information?

You may call us at 1-888-252-1847 or send us an email to **isp_customer_care@canadalife.com**. Information about our company and the products and services we provide is on our website at **canadalife.com**.

For information about handling issues that you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance at 1-888-295-8112 or on the Internet at **olhi.ca**. Additionally, if you are a resident of Quebec contact the Information Centre of the Autorité des marchés financiers (AMF) at 1-877-525-0337 or at **lautorite.qc.ca**.

For information about additional protection available for all life insurance policyowners, contact Assuris, a company established by the Canadian life insurance industry. See **assuris.ca** for details.

For information about how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at **ccir-ccrra.org**.

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Terms used in this information folder

In this information folder, **you** and **your** mean the Policyowner(s) of the Policy. **We**, **our**, and **us** mean The Canada Life Assurance Company (Canada Life), a Canadian life insurance company. Head Office means the offices of The Canada Life Assurance Company at 100 Osborne Street N, Winnipeg MB, R3C 3A5 or any other location that we might specify to be our Head Office.

Canada Life currently has administrative offices located at:

The Canada Life Assurance Company
Wealth Operations
255 Dufferin Ave
London ON N6A 4K1

and

The Canada Life Assurance Company
Wealth Operations
1350 René-Lévesque Blvd W., M-1110
Montréal QC H3G 1T4

This information folder discusses the different Policy Types available under the contract. A separate application is required for each Policy Type. Each Policy Type will be subject to the same provisions unless noted.

Account

The Policy will be administered on a Registered or Non-Registered Account basis as indicated in the application. A Registered Policy includes a Registered Retirement Savings Plan (RRSP), Spousal RRSP, Locked-in Retirement Account (LIRA), Locked-in RRSP, Restricted Locked-in Savings Plan (RLSP), Registered Retirement Income Fund (RRIF), Spousal RRIF, Life Income Fund (LIF), Prescribed Retirement Income Fund (PRIF), Locked-in Retirement Income Fund (LRIF) and Restricted Life Income Fund (RLIF).

Account Final Maturity Date

Account Final Maturity Date is the date on which the Policy matures. This date will depend on the terms of the Policy, the provisions of the *Income Tax Act* (Canada), if the Policy is registered, and any applicable legislation at any given time. For a Policy which is a RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP (subject to applicable pension legislation) payment will commence on a RRIF, Spousal RRIF, PRIF, LIF or RLIF basis (as applicable) following the last Valuation Date of the year you attain the Maximum Age, and the Account Final Maturity Date will be the Account Final Maturity Date for a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF (as applicable).

The Account Final Maturity Date for a non-registered, a RRIF, Spousal RRIF, PRIF, LRIF or RLIF Policy is Dec. 31 of the year in which the Annuitant turns 100. If the Policy is registered as a LIF, the Account Final Maturity Date is dependent on the jurisdiction that regulates it. Where applicable pension legislation requires that you receive payments from a life annuity, the Account Final Maturity Date will be Dec. 31 of the year in which you attain the age stipulated in the applicable pension legislation, otherwise the Maturity Date will be Dec. 31 of the year in which you attain age 100. If Dec. 31 is not a Valuation Date, the Account Final Maturity Date will be adjusted to the last Valuation Date prior to Dec. 31.

Advisor

Advisor means an independent individual representative, company, organization, or corporation that has a contractual agreement with Canada Life, under which they are permitted to sell Canada Life policies.

Annuitant

Annuitant is the person on whose life the Policy is based. In the case of a registered Policy, the Policyowner and the Annuitant are required to be the same person. Under a RRIF or Spousal RRIF Policy where the Annuitant dies prior to the Account Final Maturity Date and a spouse or common-law partner of the Annuitant is entitled to receive retirement income payments, such person becomes the Annuitant and Policyowner.

Beneficiary

Beneficiary is the person, persons or entity appointed to receive any Death Benefit payable under the Policy after the last Annuitant's death.

Death Benefit

Both the Interest Bearing Investment Option and the Segregated Fund Option provide a Death Benefit.

Fund

Fund refers to one or more of the segregated Funds we may offer under the Segregated Fund Option of the Policy.

Fund Facts

Fund Facts provides detailed information about the Fund. *Fund Facts* are provided in a separate booklet along with this information folder.

Fund Unit Net Asset Value

The Fund Unit Net Asset Value is determined on the Valuation Date by calculating the:

- Net asset value of all underlying assets of the Fund
- Plus any cash and other holdings of the Fund
- Less any liabilities that the Fund may have, including any applicable fees and expenses

The result of the above is then divided by the number of Units outstanding in order to assign a Net Asset Value to each Unit on the Valuation Date.

If any underlying asset did not trade or the principal stock exchange on which the asset usually trades was not open on the Valuation Date, or the exchange closed early, we may use our discretion in determining whether to assign a reasonable value. If no value is assigned, the Fund Unit Net Asset Value may not be calculated that day (see the section *When the redemption of Fund Units may be delayed* for more details).

Interest Bearing Investment Option

Interest Bearing Investment Option means daily interest and guaranteed interest terms. A daily interest investment option has an interest rate that fluctuates on a regular basis. Guaranteed interest terms are currently offered in whole-year terms and have fixed interest rates for the entire term.

Investment Option

Investment Option means the Interest Bearing Investment Option and/or the Segregated Fund Option available under the Policy.

Management Expense Ratio (MER)

Management Expense Ratio (MER) refers to the total fee and other expenses (expressed as an annual percentage) that are charged to any Fund. The MER includes the Management Fee and other expenses payable by the Funds. The MER also includes the corresponding management fee and MER of any Underlying Fund. The section *Fees and Expenses* and the *Fund Facts* can provide you with more details, as can the audited financial statements for the Funds.

Management Fee

Management Fee refers to the fee that Canada Life charges for the management and administration of each Fund and the Policy. The Management Fee is expressed as an annual percentage and varies depending on the Fund. For more information, see the *Fund Facts* booklet which is provided with this information folder. Where the Fund invests in units of an Underlying Fund, there is no duplication of Management Fees. The Management Fee for any Underlying Fund is included in a Fund's Management Fee.

Market Value Adjustment (MVA)

Market Value Adjustment refers to the charge for an early redemption from a guaranteed interest term.

This applies if your investment has not completed the term specified when the investment was purchased.

Market Value of your Policy

The Market Value of your Policy is the sum of the Market Value of your Fund Units allocated to the Policy and the book value of the Interest Bearing Investment Option as determined on a Valuation Date. The Market Value of your Policy may be reduced by any deferred sales charges, Market Value Adjustments, other fees, charges or expenses that may be applicable.

Market Value of your Fund Units

The Market Value of your Fund Units is the sum of the Net Asset Values of each of the Units in all Funds allocated to the Policy as determined on a Valuation Date. **The Market Value of your Fund Units is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Maximum Age

The Maximum Age is the date and age stipulated in the *Income Tax Act* (Canada), as amended from time to time, when your RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP will commence payments on a RRIF, Spousal RRIF, PRIF, LIF or RLIF basis (as applicable). As of the date of this information folder, the date and age stipulated in the *Income Tax Act (*Canada) is Dec. 31 of the year the Annuitant attains age 71.

Policy

A Policy is an individual variable insurance contract and consists of the application, the contract provisions, your notice of confirmation that the first Premium has been allocated, the welcome letter and any documents attached at issue.

Policyowner

Policyowner refers to the owner of the Policy. In the case of a Registered Policy, the Policyowner and Annuitant are required by law to be the same person. A Non-Registered Policy allows you to designate a different person as the Annuitant. In addition, under a Non-Registered Policy, the ownership may be joint, or you may appoint a successor Policyowner or Policyowners (in Quebec, a subrogated Policyowner).

Policy Issue Date

Policy Issue Date means the Valuation Date when your first Premium is allocated to a Policy as shown on your first confirmation notice.

Policy Type

Policy Type means one of the following:

- Generations Core
- Generations I
- Generations II

Each Policy Type has different features and guarantees.

Policy Year

Policy Year is the 12-month period between each anniversary of the Policy Issue Date.

Premium

Premium refers to the gross amount paid by you or transferred by you into the Policy before any applicable deductions that may include sales charges, premium taxes and other governmental levies.

Canada Life has the right to:

- Refuse any Premium
- Establish and change minimum and maximum Premium amounts
- Refund any Premium according to our then-current Administrative Rules
- Discontinue the PAC plan or change how it functions at any time

Premium Year

Premium Year refers to the date assigned to any Premium allocated to a Fund. The first day of a Premium Year corresponds to the first day a Premium is allocated to a Fund.

Segregated Fund Option

Segregated Fund Option means the Funds available from time to time under the Policy. See the *Fund Facts* booklet.

Switch

A Switch is a redemption of one Investment Option and the allocation of the resulting value to the same or another Investment Option.

Underlying Fund

An Underlying Fund is a secondary fund in which some of our Funds may invest. When you acquire Units of a Fund that invests in an Underlying Fund, you do not become a unitholder of any Underlying Fund or a party to any related group annuity policy, nor do you acquire direct ownership in any underlying security.

Units

Units refer to the notional Units that each Fund is divided into. These Units are allocated to the Policy solely for the purposes of determining benefits under the Policy.

Unit Value

Unit Value refers to the Fund Unit Net Asset Value as determined on a Valuation Date.

Valuation Date

Valuation Date is any day on which we allocate a Net Asset Value to Fund Units. Generally, a Valuation Date is any day the Toronto Stock Exchange is open. A Valuation Date generally ends at 4 p.m. Eastern Time or when The Toronto Stock Exchange closes, whichever is earlier. The time that a Valuation Date ends is subject to change according to our then current administrative rules. In no case will any Fund be valued less than monthly.

Policy Description

Canada Life Generations Policies with the segregated fund option are individual variable insurance contracts.

Types of Policies

Types of Policies You may apply for any or all of the following subject to applicable legislation. A separate application is required for each type.

I) Non-Registered Policy
II) Registered Policy, including:
- Registered Retirement Savings Plan (RRSP)
- Spousal RRSP
- Locked-in RRSP
- Locked-in Retirement Account (LIRA)
- Restricted Locked-in Savings Plan (RLSP)
- Registered Retirement Income Fund (RRIF)
- Spousal RRIF
- Life Income Fund (LIF)
- Locked-in Retirement Income Fund (LRIF)
- Prescribed Retirement Income Fund (PRIF)
- Restricted Life Income Fund (RLIF)

Non-registered policies

For a Non-Registered Policy the last age to establish or pay Premiums to a Policy is dependent on the Policy Type and Investment Option selected and is based on the Annuitant's age.

The following table summarizes this information.

Policy type	Account type	Investment Option	Last Age (based on Annuitant's age)
Generations Core Generations I	Non-Registered	Segregated Fund Option	90
		Interest Bearing Investment Option	90
Generations II	Non-Registered	Segregated Fund Option	85
		Interest Bearing Investment Option	90

Current as of the date of the information folder – subject to change

A non-registered policy can be owned by a single individual or jointly by several individuals. There will only be one annuitant, who can be the Policyowner or someone else.

Joint policyowners

What happens to the policy following the death of a joint Policyowner depends on the type of joint Policyowner selected on the application.

A) With right of survivorship

When joint Policyowners have been named on the application with right of survivorship on the death of a joint Policyowner who is not the annuitant, the other joint Policyowner will become the sole Policyowner. Where Quebec law applies, rights of survivorship means accretion and in order to obtain the same legal effects as the rights of survivorship, joint Policyowners must appoint each other as his or her subrogated Policyowner. You are responsible for any income tax reporting and payments that may be required as a result of the change in ownership. If the deceased joint Policyowner is the annuitant, the policy will terminate and the applicable death benefit will be paid.

B) Tenants in common

When joint Policyowners have been named on the application as tenants in common, on the death of a joint Policyowner who is not the annuitant, if no contingent Policyowner has been named, the estate of the deceased Policyowner will take the place of the deceased joint Policyowner. You are responsible for any income tax reporting and payments that may be required as a result of the change in ownership. If the deceased joint Policyowner is the annuitant, the applicable death benefit will be paid. For more information, see the *Guarantees* and *Income tax considerations* sections.

Contingent policyowner

If you are not the annuitant, you may name a contingent Policyowner (subrogated Policyowner in Quebec) and may revoke or change a contingent Policyowner. In the event of your death, the contingent Policyowner, if living, becomes the new Policyowner. When joint Policyowners were named on the application with right of survivorship (subrogated Policyowner in Quebec), “your death” means the death of the last surviving Policyowner. If you have not named a contingent Policyowner, or if they are not living on your death, then your estate will become the Policyowner.

Assignment

Subject to applicable laws, you may assign a non-registered policy. The rights of the assignee take precedence over the rights of any person claiming a death benefit. An assignment may restrict or delay certain transactions otherwise permitted. An assignment is not recognized until the original or a true copy is received and recorded by us. An absolute assignment of a policy will make the assignee the Policyowner: a collateral assignment or movable hypothec in Quebec will not.

The rights of any Policyowner or revocable, designated beneficiary, or irrevocably designated beneficiary who has consented, are subject to the rights of any assignee.

There may be tax consequences for redeeming money from a non-registered Policy. For more information regarding tax implications, see the section *Income tax considerations.*

Registered policy

For a Registered Policy the last age to establish, pay Premiums or transfer (as applicable) to a Policy is dependent on the Policy Type, Account Type and Investment Option selected and is based on the Annuitant's age.

The following table summarizes this information.

Policy Type	Account Type	Investment Option	Last Age (based on Annuitant's age)
Generations Core **Generations I**	RRSP Spousal RRSP LIRA Locked-in RRSP RLSP	Segregated Fund Option Interest Bearing Investment Option	71
	RRIF Spousal RRIF LRIF PRIF RLIF LIF	Segregated Fund Option Interest Bearing Investment Option	90
Generations II	RRSP Spousal RRSP	Segregated Fund Option Interest Bearing Investment Option	71
	LIRA Locked-in RRSP RLSP	Segregated Fund Option	64
		Interest Bearing Investment Option	71
	RRIF Spousal RRIF LRIF PRIF RLIF	Segregated Fund Option	85*
		Interest Bearing Investment Option	90*
	LIF	Segregated Fund Option	85*

* This age signifies the maximum age a premium may be applied to the Policy. The maximum age to establish a Generations II Policy is age 71 and the initial premium must come from a Generations II RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP.

Current as of the date of this information folder – subject to change

Under a Registered Policy, you are both the Policyowner and Annuitant. Some of the contractual benefits you may receive may be required to be modified under the terms of an endorsement applicable to the Policy that you own (the endorsements are located at the back of the contract), or according to any provincial or federal legislation. You should discuss your options with your Advisor before you select a Policy.

There are tax consequences for redeeming money from a Registered Policy. For more information regarding tax implications, see the section *Income tax considerations*.

Registered retirement savings plan (RRSP)

You may hold your RRSP or Spousal RRSP until the Maximum Age. If you do not choose otherwise, payment will commence on a RRIF or Spousal RRIF basis following the last Valuation Date of the year you attain the Maximum Age.

Any income earned and accrued in the above Policy will not be taxable to you until redeemed. On redemption, we will withhold and remit applicable taxes as required by law.

Locked-in retirement account (LIRA), Locked-in RRSP or restricted locked-in savings plan (RLSP)

You may hold your LIRA, Locked-in RRSP or RLSP until the Maximum Age. If you do not choose otherwise, payment will commence on a LIF, RLIF or PRIF basis, as applicable, following the last Valuation Date of the year you attain the Maximum Age. These payments are subject to applicable pension legislation.

Any income earned and accrued in the above Policies will not be taxable to you until redeemed. On redemption (where allowed by pension legislation), we will withhold and remit applicable taxes as required by law.

Registered retirement income fund (RRIF), Spousal RRIF, Prescribed retirement income fund (PRIF), Life income fund (LIF), Restricted life income fund (RLIF) and Locked-in retirement income fund (LRIF).

You may hold your RRIF, Spousal RRIF, PRIF, LIF, RLIF and/or LRIF until the Account Final Maturity Date.

Any income earned and accrued in the above Policies will not be taxable to you until redeemed. On redemption, we will withhold and remit applicable taxes as required by law. We are required to pay out a legislated annual minimum payment from the RRIF, Spousal RRIF, PRIF, LIF, RLIF and/or LRIF based on a formula tied to your age or the age of your spouse or common-law partner as elected on the application and according to any applicable legislation. For a LIF, RLIF and LRIF, there is also a maximum amount that you may redeem each year.

If your RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP Policy commences payments on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable), we will maintain the original Policy Issue Date, deferred sales charge schedule (where applicable) and Maturity and Death Benefit guarantees.

What happens on the Account Final Maturity Date

On the Account Final Maturity Date, **unless you have provided alternative direction**, all options under the Interest Bearing Investment Option and Units under the Segregated Fund Option will be redeemed and we will commence life annuity payments. You may have to pay tax as a result of these redemptions.

The annuity payments are conditional on the Annuitant being alive and will be in equal annual or more frequent periodic amounts. We will make payments for as long as the Annuitant lives. Payments are not commutable during the Annuitant's lifetime.

The amount of the annuity payments will depend on the residency of the Policyowner on the Policy Issue Date.

- If the Policyowner is not a resident of Quebec on the Policy Issue Date, the amount of the annuity payments will be determined based on the Market Value of your Policy (less any applicable fees and charges) on the Account Final Maturity Date, on terms then offered by us.
- If the Policyowner is a resident of Quebec on the Policy Issue Date, the amount of annuity payments will be determined by the greater of the annuity rate in effect when the annuity payments commence, and the rate established in the Policy.

Allocating Premiums

To establish an RRSP, Spousal RRSP, Locked-in RRSP, LIRA, RLSP or Non-Registered Policy, you must pay a minimum initial Premium of $500, or you must start a monthly pre-authorized chequing (PAC) of at least $50, and tell us in writing which Investment Option you select.

PACs are not accepted on a Locked-in RRSP, RLSP or LIRA Policy. For more information on this topic, please see the section *Premiums by pre-authorized chequing*. Subsequent Premiums must be at least $500 and subsequent PAC Premiums must be at least $50 per Investment Option. For more information on Investment Options, see the applicable Investment Options sections.

To establish a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy, you must pay a minimum initial Premium of $10,000. Subsequent Premiums must be at least $5,000. In any case, a minimum of $50 must be allocated to any one Investment Option. Premiums paid into a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy must be in the form of a transfer of funds from a RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP (as applicable), or a transfer of an existing RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF.

If applicable, cheques must be made payable to The Canada Life Assurance Company. All payments must be in Canadian dollars. If your payment comes back to us marked non-sufficient funds (N.S.F.), your bank may charge you a fee to cover their expenses.

Premiums by pre-authorized chequing (PAC)

Pre-authorized regular Premiums are referred to as pre-authorized chequing or PACs. You may pay monthly regular Premiums to the Policy on any date from the first to the 31st of the month. We will arrange for regular withdrawals from your bank account and will allocate to the Policy as previously specified. If your specified PAC date falls on a date that is not a Valuation Date, we will process the PAC on the next Valuation Date. PACs are not accepted in Locked-in RRSP, LIRA, RLSP, RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policies.

A minimum of $50 must be directed to any single investment Option. For example, if you want to split your monthly PAC Premium between three Funds and a five-year guaranteed interest term, your PAC Premium must be at least $200 ($50 x 4 different Investment Options).

Switching

Generally, you may Switch all or part of the Market Value of your Policy between Investment Options within the Policy. If you Switch from a Fund, **the value of the Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.** Any Switch from a Fund may be subject to a short-term trading fee; see the section *Short-term Trading* in the Segregated Fund Option section.

A Switch from a Fund to an Interest Bearing Investment Option may incur a deferred sales charge on the amount Switched from the Fund following the schedule noted in the section *Deferred sales charge option*.

If you Switch from a guaranteed interest term before the completion of the term, there will be a MVA charge applied. If the guaranteed interest term has reached its renewal date, you may Switch without incurring a MVA charge. For more information on this topic, see the section *Renewal of a guaranteed interest term*.

You are allowed to request a Switch up to 12 times per calendar year, without having to pay an administration fee. If you exceed 12 Switches in total, per Policy, in any given calendar year, we may, in our sole discretion, charge an administrative fee or not allow a Switch.

A Switch request will be effective on the date received, as long as we receive the request and all required information before 4 p.m. Eastern Time or when The Toronto Stock Exchange closes, whichever is earlier, on a Valuation Date. If we receive your request after that time, we'll process it on the next Valuation Date. Please note that when Switching from an Interest Bearing Investment Option to a Fund or an Interest Bearing Investment Option to an Interest Bearing Investment Option, the transaction will be completed over two Valuation Dates.

You must specify the amount and the Investment Option you would like to Switch from and to. We will then process the transaction on a 'closest to renewal basis' where applicable. That is, we will first transfer that portion of your Interest Bearing Investment Option that is closest to its renewal date, then the portion that is second closest to its renewal date, until your requested Switch has been completed.

Once we process your request, it cannot be revoked. Any request that is not in proper order will not be processed and will be returned to you so it can be properly completed. We reserve the right to require additional documentation if necessary.

Because Switches involve redemptions, they may cause you to incur tax. For more information on this topic, please see the section *Income tax considerations*.

You must Switch a minimum of $500 to any Investment Option. The minimum amount that must remain in an Investment Option, according to our current administrative rules, is $500. If any Switch leaves any Investment Option with a value of less than $500, we reserve the right to Switch the market value from that Investment Option to another Investment Option with a value that meets our minimum requirements.

If you have a PAC, an automatic partial redemption (APR) or scheduled income payment running on any Investment Option and you Switch the value of that original Investment Option to another Investment Option, you may change your PAC, APR or scheduled income payment such that the PAC, APR or scheduled income payment runs from the new Investment Option. To do so, simply indicate your choice on the Switch request form. If you do not indicate that you wish the PAC, APR or scheduled income payment to run from the new Investment Option, any PAC will continue to be allocated to the original Investment Option and any APR or scheduled income payment will be redeemed from the original Investment Option or in accordance with our default APR and scheduled income payment rules [as outlined in the section entitled *Automatic Partial Redemptions (APRs) and Scheduled Income Payments].*

The following chart details charges that apply when you Switch between Investment Options:

Switching from	**Switching to**			
	Deferred sales charge funds	**No-load Funds**	**Daily Interest**	**Guaranteed interest terms**
Deferred sales charge funds	No deferred sales charge, but schedule continues	There is a deferred sales charge if the money has been in the Fund less than 7 years * (not allowed within the same policy)	There is a deferred sales charge if the money has been in the Fund less than 7 years*	There is a deferred sales charge if the money has been in the Fund less than 7 years*
No-load Funds	N/A (not allowed within the same Policy)	No deferred sales charge	No deferred sales charge	No deferred sales charge
Daily interest	No MVA charge	No MVA charge	N/A	No MVA charge
Guaranteed interest terms	No MVA at the end of the guarantee period	No MVA at the end of the guarantee period	No MVA at the end of the guarantee period	No MVA at the end of the guarantee period

* See the section *Deferred sales charge option*

Redeeming

You have the right to redeem all or part of your Investment Option at any time. Your redemption may, however, be subject to applicable legislation, the provisions of the *Income Tax Act* (Canada) and/or taxes. For more information on this topic, see the section *Income tax considerations.*

The amount and frequency of redemptions will be determined by us according to any elections made by you and our then-current administrative rules. Once we process your request, it cannot be revoked. Any request that is not in proper order will not be processed and will be returned to you so it can be properly completed. We reserve the right to require additional documentation if necessary.

A redemption request will be effective on the date received, as long as we receive the request and all required information before 4 p.m. Eastern Time or when The Toronto Stock Exchange closes, whichever is earlier, on a Valuation Date. If we receive your request after that time, we'll process it on the next Valuation Date.

You must specify the Investment Options that you would like to redeem in writing.

Redemption requests from Interest Bearing Investment Options will be processed on a 'closest to renewal basis' where applicable. That is, we will first redeem that portion of your Interest Bearing Investment Option that is closest to its renewal date, then the portion that is second closest to its renewal date, until your request has been completed.

The number of Units redeemed from a Fund in order to provide you with your redemption amount will be equal to the amount redeemed from the Units allocated to the Policy in that Fund, divided by the Unit Value of that Fund on the applicable Valuation Date. Your redemption will be taken from the earliest Premium applied to the Funds from which you have requested the redemption. This is referred to as the first in, first out method. Any redemption request may be subject to a short-term trading fee; see the section *Short-term Trading* in the Segregated Fund Option section. **The value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Any applicable fees or withholding taxes you must pay are deducted from your payment.

You are permitted two lump-sum partial redemptions per Policy per calendar year. Additional requests may be subject to administrative fees according to our then-current administrative rules.

The minimum you may redeem from any Investment Option is $500. The minimum amount that must remain in a Policy is $500 and the minimum in an Investment Option is $500, according to our current administrative rules. If any redemption leaves the Market Value of your Policy at less than $500, we reserve the right to terminate the Policy and forward any proceeds to you, net of any applicable charges, fees and taxes. If any redemption leaves any Investment Option with a value of less than $500, we reserve the right to Switch the value from that Investment Option to another Investment Option with a value that meets the minimum requirements, in accordance with our then-current administrative rules (less any applicable charges).

You may schedule APRs only in your Non-Registered Policy, and scheduled income payments from RRIF, Spousal RRIF, PRIF, LIF, RLIF and/or LRIF Policy. For a RRIF, Spousal RRIF, PRIF, LIF, RLIF and LRIF Policy, any scheduled income payment may be subject to applicable legislation. For more information on this topic, please see the section *Automatic Partial Redemptions (APRs) and Scheduled Income Payments.*

If the value of your Investment Option on a Valuation Date is not sufficient to permit us to make the requested redemption, we will make the redemption according to our then-current administrative rules. Redemption payments will be issued to you by way of a cheque or an electronic funds transfer to a Canadian bank account of your designation. All redemption payments are made in Canadian dollars.

We reserve the right to either refuse a redemption or require that your entire Policy be redeemed. For example, if the Market Value of your Policy is not sufficient for us to effect the requested redemption, we may refuse your redemption request.

For a RRIF, Spousal RRIF, PRIF, LIF, RLIF and LRIF Policy, the total amount redeemed from the Policy each calendar year must comply with applicable legislated minimums and maximums. If you request a transfer of your RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy to another financial institution prior to effecting the transfer, we will pay you the required legislated minimum amount for that calendar year. If you wish to redeem more than the legislated minimum that year, you must request the redemption before the transfer occurs.

Redemptions will reduce the amount available for annuity payments following the Account Final Maturity Date.

Under the Segregated Fund Option, the value of any applicable Maturity and Death Benefit guarantees will be proportionately reduced by a redemption.

Automatic Partial Redemptions (APRs) and Scheduled Income Payments

Under our current administrative rules, you must have a minimum of $7,500 in the Policy in order to request that an APR begin and $10,000 in order to request scheduled income payments.

APRs and scheduled income payments are subject to the conditions described in the section *Redeeming*, as applicable to the Policy from which you are redeeming. You may use an APR to receive payments from your Non-Registered Policy and use scheduled income payments to receive payments from your RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy. You may select any date from the first to the 28th of each month for us to process your APR or scheduled income payment, or you may select quarterly, semi-annual or an annual date falling between the first and 28th of any applicable month. If you have set up an APR or scheduled income payments and it is scheduled to occur on a non-Valuation Date, we'll process the payment on the previous Valuation Date. You must specify the dollar amount, the Investment Option from which the payment will be made and whether you would like the payment to be gross or net of any applicable fees, withholding taxes or DSC.

We will then process the transaction on a 'closest to renewal basis' when applicable. That is we will first redeem that portion of your Interest Bearing Investment Option that is closest to its renewal date, then the portion that is second closest to its renewal date, until your requested APR or scheduled income payment has been completed.

The number of Units redeemed from a Fund in order to provide you with your requested APR or scheduled income payment amount will be equal to the amount redeemed from that Fund, divided by the Unit Value of the Fund on the applicable Valuation Date. **The value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Any applicable fees or withholding taxes you must pay are deducted from your payment.

APR and scheduled income payment requests must be received at least 30 days prior to the requested start date. If your specified APR or scheduled income payment date falls on a date that is not a Valuation Date, we will process the APR or scheduled income payment on the closest prior Valuation Date or according to our then-current administrative rules. Any applicable fees or withholding taxes that you must pay are deducted from your redemption.

When scheduled income payments are requested from a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy, you may choose from the following scheduled payment options (note that if your selected payment does not comply with legislated minimums and maximums, we will adjust your payment so it does comply):

- Minimum payments – you may elect to redeem the minimum amount possible, as defined in any applicable legislation. You are not required to make any redemptions in the year in which you purchase your RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF; however in subsequent years you must redeem at least the minimum amount.
- Equal payments – you may elect to specify a certain dollar amount that you wish to redeem on a regular basis, subject to any minimums or maximums as defined in any applicable legislation.
- Increasing payments – you may elect to choose a payment that increases by a certain percentage on Jan. 1 of each subsequent year, subject to any minimums or maximums as defined in any applicable legislation.
- Maximum payments – in your LIF, RLIF or LRIF, you may choose to receive the maximum allowable payment each year, according to applicable legislation.
- 20 per cent 'free' payment (with respect to Funds purchased with the deferred sales charge option) – you may elect to redeem 20 per cent of the Market Value of your Fund Units to avoid paying any deferred sales charges on your redemptions, subject to any minimums or maximums as defined in any applicable legislation. This option assumes no unscheduled lump-sum redemptions are made.

A minimum of $50 must be redeemed from any single investment option. For example, if you want to split your monthly APR between three Funds and a daily interest investment option, your APR must be at least $200 ($50 x 4 different investment options).

Upon processing an APR or scheduled income payment, if we find we cannot redeem enough from an Investment Option you have specified, we will use our default redemption structure according to our then-current administrative rules. This default currently states that if the portion of your payment that can no longer be met was coming from a daily interest investment, we will try to take the payment from a Money Market Fund by the first in, first out redemption method. If the payment cannot be taken from a Money Market Fund, we will redeem it proportionately across all of your other Funds to which you have allocated Premiums by the first in, first out redemption method. If we cannot make the redemption from your other Funds, we will make the payment from your guaranteed interest terms by the closest to maturity method.

For example:

You have set up a monthly APR for $100 from the daily interest investment option and $100 from the Canadian Equity Fund. After a few months of running your APR, we find there is no money left in the daily interest investment option. In that case, our default will begin, and we will attempt to redeem $100 from a Money Market Fund. If you do not have any money in a Money Market Fund, we will attempt to redeem the $100 from your Funds on a proportional basis.

APRs and scheduled income payments will reduce the amount available for annuity payments following the Account Final Maturity Date.

Under the Segregated Fund Option, the value of any applicable Maturity and Death Benefit guarantees will be proportionately reduced by APRs and scheduled income payments.

Interest Bearing Investment Option

You may allocate Premiums to the following Interest Bearing Investment Options:

- Daily interest
- Guaranteed interest terms (currently you may choose the length of your term, one to 10 years, in whole years, subject to our then-current administrative rules and applicable legislation)

A daily interest investment option has a fluctuating interest rate and no fixed length of time that the Premium must remain in the option.

Guaranteed interest terms have a fixed term and a fixed interest rate. You may redeem the guaranteed interest term before the end of the term; however, there may be a charge, which is referred to as a Market Value Adjustment (MVA). The guaranteed interest term in your Non-Registered, RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy may not exceed the Account Final Maturity Date. For example, in a LIF where applicable pension legislation requires that you receive payments from a life annuity at age 80, you may not select a five-year guaranteed interest term if there are only two years remaining until the end of the year in which you turn 80.

We reserve the right to add or withdraw Interest Bearing Investment Options and guaranteed interest terms.

Allocating Premiums

You must advise us in writing of the Interest Bearing Investment Option you select. If you select more than one Interest Bearing Investment Option, you must state the percentage of your Premium to be assigned to each one. If no instructions are submitted with a Premium, we will use the latest instructions you have given us for that type of Premium. If there are no previous instructions relating to that type of Premium, we will invest the Premium into a Money Market Fund. To make changes to your regular contribution arrangements, please advise us.

The Premium will be credited with interest at the applicable rate in effect from the date it is received by us at our administrative office, if received prior to 4 p.m. Eastern Time on a Valuation Date or when The Toronto Stock Exchange closes, whichever is earlier. If we receive your request after that time, we'll process it on the next Valuation Date.

Interest Bearing Investment Option Death Benefit

When a Premium has been allocated to an Interest Bearing Investment Option and the last Annuitant dies prior to the Account Final Maturity Date, we will pay a Death Benefit equal to the book value, as of the date of death. There is no MVA charge applicable to the Death Benefit.

Redeeming

You have the right to redeem all or part of the Premiums allocated to either the daily interest investment option or guaranteed interest terms at any time. If you make a redemption from the daily interest investment option or at the end of the guaranteed interest term, it will not incur a MVA charge. If you make a redemption before the end of the guaranteed interest term, there may be a MVA charge applied.

Any redemption is subject to applicable legislation, the provisions of the *Income Tax Act* (Canada) and/or taxes. For more information, see the section *Income tax considerations*.

If you chose to make a redemption, this will reduce the amount available for annuity payments following the Account Final Maturity Date.

Renewal of a guaranteed interest term

A guaranteed interest term will automatically renew for the same term at the then current interest rate.

If that guaranteed interest term is no longer available or would extend beyond the Account Final Maturity Date (if the Policy is a RRIF, Spousal RRIF, LIF, RLIF, PRIF, LRIF or Non-registered Policy), we will substitute the next shortest guaranteed interest term available and the interest rate will be the rate then in effect for that guaranteed interest term.

Segregated Fund Option

How the Funds work

Each of our Funds is a segregated Fund, which is a pool of investments that is kept separate, or segregated, from the general assets of Canada Life. Each Fund is divided into an unlimited number of classes. Each class is subdivided into an unlimited number of Units of equal value.

When you allocate your Premium to the Funds, Units are allocated to the Policy solely for the purpose of determining the benefits to which you are entitled. You do not actually own, buy or sell any part of the Funds. Instead, we hold the assets of the Funds. This also means you do not have any voting rights associated with the Funds. We calculate the value of the Policy and the benefits to which you are entitled based on the value of the Units allocated to the Policy on a Valuation Date.

Neither the Policy nor your Units give you an ownership interest in Canada Life or voting rights in connection with Canada Life.

Funds offered

Under the Policy, you may invest in one or more Funds. Some of the Canada Life Funds may hold, as their primary underlying investment, units of a mutual or pooled fund. Please refer to the *Fund Facts* booklet, which is provided with this information folder, for details on which Funds invest in Underlying Funds. When you select a Fund that invests in units of a mutual fund, you will not be a unitholder of the mutual fund. This means you do not have any voting rights, or other such rights given to unitholders or shareholders of such Funds. Instead, you acquire a claim on your contractual Policy benefits.

Asset and Income Allocation Funds

Each allocation Fund invests in a variety of other Funds. They offer you an easy way to diversify your investments through a single Fund. Each allocation Fund invests in other Funds to reduce the level of risk without reducing the potential returns. An allocation Fund chooses investments that may react differently to the same market conditions in order to decrease your overall risk. These investment combinations form the basis for each allocation Fund.

An asset and income allocation Fund may offer you diversification among:

- Types of assets, such as shares, bonds and mortgages
- The entities that issue the assets, such as shares in large, small or resource-based companies, and bonds issued by governments or companies
- Assets in different countries
- Investment advisors with different investment styles

We may review the composition of the asset and income allocation Funds from time to time. When required, we may change:

- The Funds the allocation Fund holds
- The percentages of each Fund the allocation Fund intends to hold
- The number of Funds the allocation Fund holds

Each allocation Fund usually invests in between eight and 12 Funds.

Responsible Investment Approach

Some of our Segregated Funds consider ESG factors, along with other factors, as part of the investment decision-making process with an aim to generate sustainable income and growth for investors.

What are ESG factors?

ESG Factors that may be considered include, but are not limited to:

- **Environmental:** related to the quality and function of the natural environment and natural systems, such as greenhouse gas emissions, climate change resilience, pollution (air, water, noise, and light), biodiversity/habitat protection and waste management;
- **Social:** related to the rights, wellbeing, and interests of people and communities, such as workplace safety, cybersecurity and data privacy, human rights, local stakeholder relationships, and discrimination prevention; and

- **Governance:** related to the way companies are managed and overseen, such as independence of chair/board, fiduciary duty, board diversity, executive compensation and bribery and corruption.

The above examples are provided for illustrative purposes only and are not exhaustive. Not all factors are relevant to a particular investment or segregated fund.

Funds that take a responsible investment approach use various resources to monitor and evaluate these ESG factors in a qualitative and quantitative manner including, but not limited to, industry publications, company reports, internal and external research, news publications and analyst reports.

Types of Responsible Investment Approaches

Funds that consider ESG factors can include one or more of the following responsible investment approaches:

- **Exclusionary ESG screening**: The fund aims to exclude certain sectors, types of securities, or companies from its portfolio based on certain ESG-related activities, business practices, societal values or norms-based criteria.
- **ESG integration**: The fund explicitly considers ESG-related factors that are material to the risk and return of the investment, ("financially material ESG factors"), alongside traditional financial and non-financial factors when making investment decisions with the aim of improving risk-adjusted returns.
- **Positive ESG tilt**: The fund aims to invest a greater percentage of assets to sectors or companies that exhibit positive ESG characteristics or those that demonstrate positive momentum towards becoming more ESG focused.
- **ESG best-in-class**: The fund aims to invest in companies that perform better than their peers on one or more performance metrics related to ESG factors.
- **ESG thematic investing**: The fund aims to invest in sectors, industries, or companies that are expected to benefit from long-term macro or structural ESG-related trends.
- **ESG stewardship**: The fund uses rights and position of holdings in investee companies, wherever the investment is in an investee company's capital structure, to influence the activities or behavior of such companies, including through engagement and voting activities.

Categories of Funds

Funds that incorporate, in whole or in part, responsible investment approaches as discussed above, generally fall within one of the following three categories:

1) Responsible Investment Branded Funds

The segregated funds listed below incorporate one or more of the responsible investment approaches or ESG factors as a fundamental objective and generally include the term "Sustainable" or another ESG factor reference in their name. These Funds generally fall into two categories:

i. **Core ESG funds** which invest in companies or issuers with positive ESG practices that are expected to enhance overall value.

ii. **Thematic ESG funds** which target specific ESG macro-trends or themes that aim to generate competitive returns.

2) ESG Integrated Funds

Segregated funds that incorporate an ESG-integrated approach (as defined above) in the investment process consider ESG factors as part of their security selection, together with other relevant financial and non-financial criteria. However, ESG is not a fundamental objective of these funds.

Funds that follow this approach will use internal and/or external ESG data and insights to evaluate material ESG factors in their investment research, analysis, or decisions include the following segregated funds:

- Canadian Focused Growth
- Canadian Fixed Income Balanced
- Global Growth Opportunities
- Global Resources
- Canadian Core Dividend
- Canadian Equity
- Canadian Equity Value
- Canadian Focused Dividend
- Canadian Small-Mid Cap

3) Other funds

Segregated funds which are not Responsible Investment Branded Funds or ESG Integrated Funds (as described) may consider ESG factors, but such factors play a limited role and are not necessarily weighted heavily in the investment decision-making process. Certain segregated funds in this category do not aim to incorporate our responsible investment approach or ESG factors into their investment decision-making process.

Sales charge options

We currently offer two different classes of segregated Fund Units: deferred sales charge units and no-load units. These classes may also be referred to as fee options. You can hold Units of either in the Policy, but not both in the same Policy.

No-load option

All Funds are offered on a no-load basis. No-load is a term used to refer to a Fund that charges neither upfront sales fees, nor back-end deferred sales charges to you. As such, there are no sales charges for redeeming Units from any no-load Fund. Redemptions and Switches may be subject to a short-term trading fee. For more information on the short-term trading fee, see the section *Short-term Trading*.

Deferred sales charge option

All Funds are offered on a deferred sales charge basis (deferred sales charges are sometimes called surrender charges or DSC). There may be deferred sales charges if you redeem Units from deferred sales charge Funds. Redemptions and Switches may also be subject to a short-term trading fee. For more information on the short-term trading fee, see the section *Short-term Trading.*

As of June 1, 2023, the deferred sales charge is only available for new contributions received from existing policyowners or for internal transfers as per our administrative guidelines.

Free Amount from Deferred Sales Charges

The DSC option allows a redemption each calendar year without being subject to the DSC up to the Free Amount limit. The Free Amount limit is defined below depending on the type of Policy you have.

RRSP, Spousal RRSP, LIRA, RLSP, Locked-in RRSP or non-registered Policy:

- 10 per cent of the Market Value of your Fund Units as of Dec. 31 of the previous calendar year; plus
- 10 per cent of all Premiums allocated to Funds to the date of the redemption in the calendar year of the redemption

RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF Policy:

- 20 per cent of the Market Value of your Fund Units as of Dec. 31 of the previous calendar year, plus
- 20 per cent of all Premiums allocated to Funds to the date of the redemption in the calendar year of the redemption

Any unused portion of the Free Amount cannot be carried forward from one calendar year to the next.

The Free Amount is subject to change on written Notice to the Policyowner.

Allocating Premiums to a Fund, Redeeming Fund Units and Switching Fund Units

You can make a request to allocate your Premium to a Fund, redeem or Switch Fund Units at any time. However, we only process allocations, redemptions or Switches on a Valuation Date.

If we receive your request to allocate your Premium to a Fund, redeem or Switch Fund Units at our administrative office before 4 p.m. Eastern Time or before The Toronto Stock Exchange closes, whichever is earlier, on a Valuation Date, we'll process the request on that day using that day's Unit Value. If we receive your request after that time, we'll process it on the next Valuation Date using the next day's Unit Value.

When you ask us to allocate your Premium to a Fund, redeem or Switch Units, your instructions must be complete and in a manner acceptable to us, otherwise we may not be able to complete the transaction for you.

We have the right to refuse any Premium allocated to your plan. We also have the right to change any minimum amounts that are given in this information folder.

Allocating Premiums to a Fund

You may allocate a Premium to a Fund by stating in writing the Fund(s) and fee option you select. If no instructions are submitted with a Premium, we will use the latest instructions you have given us. Any change in selection of a Fund or in the amount of Premium to be allocated to a particular Fund applies only to the Premiums paid on or after the date that written notice of a change is received at our administrative office. Funds of two different fee options may not be held in the same Policy. To transfer money from one fee option to another, you must make a redemption from your existing Policy and apply the money to another Policy. If necessary, you may have to establish another Policy.

If you select more than one Fund, you must state the percentage of your Premium to be allocated to each Fund. If no instructions are submitted with a Premium, we will use the latest instructions you have given us. If there are no previous instructions relating to the allocation of a Premium, we will allocate the Premium to a Money Market Fund. To make changes to your regular contribution arrangements, please advise us. The number of Units in a Fund allocated to the Policy will equal the Premium allocated to the Fund divided by the Unit Value of that Fund on the applicable Valuation Date.

We reserve the right to restrict Premiums or to limit the amount of Premiums to a Fund according to our then-current administrative rules. Currently, our approval is required for total Premiums exceeding $500,000 in any year. We have the right to request medical information about the Annuitant and to refuse to accept new Premiums to any Policy based on incomplete or unsatisfactory medical information or on incomplete or unsatisfactory information regarding the source of the Premium.

Any amount that is allocated to a segregated Fund is invested at the risk of the Policyowner and may increase or decrease in value.

Short-term Trading

Using Funds to time the market or trading on a frequent basis is not consistent with a long-term investment approach based on financial planning principles. In order to limit such activities, we may charge a short-term trading fee (as described below), decline to accept Premiums into certain Funds or Accounts, and/or delay trades by one day.

When a Premium has been allocated to a Fund for less than 90 consecutive days, we have the right to charge a short-term trading fee of up to two per cent of the amount Switched or redeemed. The fee is subject to change. This right is not affected by the fact that we may have waived it at any time previously. We reserve the right to increase the period of time a Premium must remain in a Fund from 90 consecutive days to up to 365 consecutive days. We will give written notice of our intent to increase the time period at least 60 days in advance. Our notice will specify the Fund or Funds and the new period of time.

We reserve the right to change our administrative practices or introduce new ones when we determine it is appropriate.

Switching Fund Units

You may Switch the value of the Units of one Fund for the equivalent value of Units of another Fund within the Policy on the applicable Valuation Date, subject to our then-current administrative rules. **The value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

The value of any Maturity or Death Benefit guarantee will not change when you Switch Units.

When you Switch Units, you're redeeming Units of one or more Funds and allocating their value to acquire Units of other Funds. For more information, see the sections *Allocating Premiums to a Fund and Redeeming Fund Units*. You may not Switch between Funds of different fee options or between Policies but you may make a redemption from your existing Policy and apply the proceeds to another Policy (subject to applicable legislation, our then-current administrative rules and any fees that may be applicable). If necessary, you may have to apply for another Policy. Any deferred sales charge schedule (or lack thereof) is unaffected by Switches between Funds within the same fee option.

You may request up to 12 switches per Policy per calendar year subject to our then-current administrative rules. We reserve the right to limit the number of Funds involved in any Switches.

Any Switch request may be subject to a short-term trading fee; see the section *Short-term Trading.*

The current minimum amount you may switch from a Fund is $500 and is subject to our then-current administrative rules.

We may refuse any Switch request if, in our sole discretion, the order is disruptive to the efficient and cost-effective management of the Fund.

There are tax consequences to Switching between Funds within a Non-Registered Policy. For more information on this topic, please see the section *Income tax considerations.*

Redeeming Fund Units

You can redeem Fund Units on any Valuation Date by sending appropriate documentation, acceptable to us, to our administrative office.

The number of Units redeemed from a Fund will be equal to the dollar amount that you request be redeemed from that Fund divided by the Unit Value of that Fund on the applicable Valuation Date. Any fees or withholding taxes you must pay are deducted from your redemption. The minimum amount for redemptions, as described below, is before any applicable deferred sales charges or taxes are deducted. **The value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Your redemption will be taken from the earliest Premium applied to the Funds from which you have requested the redemption. This is referred to as the *first in, first out* method. If you have set up an APR or scheduled income payments and it is scheduled to occur on a non-Valuation Date, we'll process the payment on the previous Valuation Date.

We proportionately reduce the value of any guarantees when you make a redemption (see the section *How redemptions affect your guarantees*).

The minimum redemption amount you may request is $500 per Fund. You are permitted two lump sum partial redemptions per Policy per calendar year. Additional requests may be subject to administrative fees according to our then-current administrative rules.

Any redemption request may be subject to a short-term trading fee; see the section *Short-Term Trading.*

When the redemptions of Fund Units may be delayed

Under unusual circumstances, we may have to delay your redemption of Units or postpone the date of a Switch, APRs or scheduled income payments. This may happen if:

- Normal trading is suspended on a stock exchange where the Fund has a significant percentage of its assets, or
- We believe it's not practical to dispose of investments held in a Fund or that it would be unfair to other Policyowners

During such a delay, we'll administer the redemption of Units according to the applicable rules and laws and in a manner that we consider fair. We may have to wait until there are enough assets in the Fund that can be easily converted to cash. If there are more requests to redeem Units than we can accommodate, we'll redeem as many Units as we think is appropriate and allocate the proceeds proportionately among the Policyowners who asked to redeem Units. We'll redeem any remaining Units as soon as we can.

We may temporarily postpone redeeming units or the date a switch is processed, or payment is made if we have reasonable ground, in our opinion, to believe you are being or have been financially exploited or we have concerns about your ability to make a financial decision. This delay is to provide us with the opportunity to review the situation. Where a hold is placed on the policy, we will provide notice to you as soon as possible.

Where an overpayment was paid from a policy that should not have been made, you are responsible for repaying the amount within 30 days of Canada Life sending you notice, or within an agreed upon period when provided in writing by Canada Life. If you do not make the repayment, redemptions will be delayed until the overpayment is recovered. You also authorize Canada Life to set-off such amount against any amounts owing under another policy with Canada Life, subject to applicable laws. This does not limit Canada Life's right to use other legal means to recover the overpayment.

Fundamental Changes to Funds

If we make any of the following fundamental changes to a Fund we will notify you in writing 60 days before the change occurs. The notice will be sent by regular mail to the most recent address we have for you in our records. The fundamental changes for which you will be notified are:

- Increase the management fee
- Material change to the fundamental investment objective
- Decrease the frequency with which the Fund is valued
- If applicable, an increase in the fee charged for the Maturity Guarantee Reset or the Death Benefit Guarantee Reset Options if the increase is greater than the maximum allowed (see sections *Generations II - Maturity Guarantee Reset Option and Generations II - Death Benefit Guarantee Reset Option*)

During the notice period, you will have the right to Switch the value of your Units from the affected Fund to a similar Fund that is not subject to the fundamental change without incurring any fees, provided you advise us, in a form satisfactory to us, at least five days prior to the change happening. We will advise you of similar Funds that are available to you at the time of the written notice.

A similar Fund is a Fund within the same Fund category that has a comparable fundamental investment objective, the same or lower management fee and Maturity Guarantee Reset and Death Benefit Guarantee Reset Fee, if applicable, in effect at the time notice is given. The switch of your units from one segregated fund to another in a non-registered policy may produce a taxable capital gain or loss. For information about tax implications, see *Income tax considerations*.

If we do not offer a similar Fund, you may have the right to redeem the Units without incurring any fees provided you advise us at least five days prior to the change happening. We'll advise you if this applies to you. Any redemption of units from a non-registered policy may produce a taxable capital gain or loss. For information about tax implications, see I*ncome tax considerations.*

During the transition period between the notice and the effective date of the fundamental change, you will not be permitted to allocate or switch into the affected Fund unless you agree to waive your rights under the fundamental change provision.

Switches will be made on the Valuation Date if your request arrives at our administrative office before the Cut-off Time or on the next Valuation Date, if received after that time. If no switch request is received by us prior to the Valuation Date specified in the notice, we shall, on that Valuation Date, switch the value of the Units allocated to the discontinued Fund to the Fund specified in our notice. You will be responsible for any income tax arising from any Switch.

Guarantees

This section describes the guarantees that are applicable to the Segregated Fund Option. **The guarantees are dependent on the Policy Type as selected on your application.**

These guarantees have specific dates upon which they become effective. Please read this section thoroughly so you understand your Fund guarantees.

A. Generations Core Policy

A Generations Core Policy provides a Death Benefit Guarantee and a Maturity Guarantee.

Before the Maturity Guarantee comes into effect or the date we receive notification of the death of the last Annuitant, **the value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Generations Core – Death Benefit Guarantee

Upon receipt by us of satisfactory proof of the last Annuitant's death prior to the Account Final Maturity Date and the Beneficiary's right to the proceeds, we will pay a Death Benefit to the Beneficiary. If there is no Beneficiary, we will pay it to you or your estate.

The Death Benefit Guarantee will be the greater of:

- Market Value of your Fund Units on the Valuation Date we receive notification of the death of the last Annuitant, in a form acceptable to us, at our administrative office if received prior to 4 p.m. Eastern Time. If received after 4 p.m. Eastern Time or the date of notification is not a Valuation Date, we will use the next Valuation Date, or
- Death Benefit Guarantee Minimum Amount (see *Generations Core - Death Benefit Guarantee Minimum Amount* below)

If the Market Value of your Fund Units is less than the Death Benefit Guarantee Minimum Amount, the difference will be applied to the Policy in accordance with our then-current administrative rules.

No deferred sales charges are applied upon the payment of a Death Benefit Guarantee.

Generations Core – Death Benefit Guarantee Minimum Amount

The Generations Core Death Benefit Guarantee Minimum Amount is 75 per cent of the Premiums allocated to the Segregated Fund Option reduced proportionately by any redemptions.

When the Policy is a RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP and payments commence on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable) the Death Benefit Guarantee Minimum Amount will continue to apply.

Generations Core – Maturity Guarantee

A Generations Core Policy provides a Maturity Guarantee on the Maturity Benefit Date.

The Maturity Guarantee is the greater of the:

- Maturity Guarantee Minimum Amount, or
- Market Value of your Fund Units

Generations Core – Maturity Guarantee Minimum Amount

The Maturity Guarantee Minimum Amount on the Maturity Benefit Date is 75 per cent of the Premium allocated to the Segregated Fund Option up to and including the Maturity Benefit Date, reduced proportionately by any redemptions.

If the Annuitant is living on the Maturity Benefit Date and if the Maturity Guarantee Minimum Amount is higher than the Market Value of your Fund Units, we will top-up the Policy in accordance with our then-current administrative rules to the Maturity Guarantee Minimum Amount. If the Market Value of your Fund Units is higher than the Maturity Guarantee Minimum Amount, we will not pay any top-up amount.

Generations Core – Maturity Benefit Date

The Maturity Benefit Date is determined as follows:

A. When the Policy is a RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP and a Premium is allocated:

   i. Prior to the Annuitant attaining age 60 and a required minimum amount is continuously maintained in the Segregated Fund Option, you may select the Maturity Benefit Date that must be between Sept. 1 and Dec. 31 in the year the Annuitant attains the Maximum Age. If a date is not selected, the Maturity Benefit Date will be Dec. 31 of the year the Annuitant attains the Maximum Age; or

   ii. After the Annuitant attains age 60 or a Premium was allocated prior to age 60 but was not continuously maintained in the option, the Maturity Benefit Date will be Dec. 31 of the year the Annuitant attains age 80, subject to payments commencing on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable)

B. When the Policy is non-registered, a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF, the Maturity Benefit Date is the Account Final Maturity Date.

C. If Dec. 31 is not a Valuation Date, the date will be adjusted to the last Valuation Date prior to Dec. 31.

Generations Core – No resets of your guarantees

You may not reset either the Maturity or the Death Benefit Guarantee Minimum Amount under a Generations Core Policy.

B. Generations I Policy

A Generations I Policy provides a Death Benefit Guarantee and a Maturity Guarantee.

Before the Maturity Guarantee comes into effect or the date we receive notification of the death of the last Annuitant, **the value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Generations I – Death Benefit Guarantee

Upon receipt by us of satisfactory proof of the last Annuitant's death prior to the Account Final Maturity Date and the Beneficiary's right to the proceeds, we will pay a Death Benefit to the Beneficiary. If there is no Beneficiary, we will pay it to you or your estate.

The Death Benefit Guarantee will be the greater of:

- Market Value of your Fund Units on the Valuation Date we receive notification of the death of the last Annuitant, in a form acceptable to us, at our administrative office if received prior to 4 p.m. Eastern Time. If received after 4 p.m. Eastern Time or if the date of notification is not a Valuation Date we will use the next Valuation Date; or
- The Death Benefit Guarantee Minimum Amount (see *Generations I - Death Benefit Guarantee Minimum Amount* below)

If the Market Value of your Fund Units is less than the Death Benefit Guarantee Minimum Amount, the difference will be applied to the Policy in accordance with our then-current administrative rules.

No deferred sales charges are applied upon the payment of a Death Benefit Guarantee.

Generations I – Death Benefit Guarantee Minimum Amount

The Death Benefit Guarantee Minimum Amount varies according to the age of the Annuitant at the time a Premium is allocated to the Segregated Fund Option.

When Premiums are applied to the Segregated Fund Option prior to the Annuitant's 80th birthday, the Death Benefit Guarantee Minimum Amount is 100 per cent of the Premium allocated to the Segregated Fund Option, reduced proportionately by any redemptions.

When Premiums are applied to the Segregated Fund Option on or after the Annuitant's 80th birthday, the Death Benefit Guarantee Minimum Amount is the following percentage of the Premium allocated to the Segregated Fund Option, reduced proportionately by any redemptions.

- 75 per cent in first Premium Year
- 80 per cent in second Premium Year
- 85 per cent in third Premium Year

- 90 per cent in fourth Premium Year
- 95 per cent in fifth Premium Year
- 100 per cent in sixth and subsequent Premium Years

The Death Benefit Guarantee Minimum Amount is the sum of the guaranteed amounts applicable for each Premium Year.

When the Policy is a RRSP, Spousal RRSP, LIRA, RLSP or Locked-in RRSP and payments commence on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable) the Death Benefit Guarantee will continue to apply.

No deferred sales charges are applied upon the payment of a Death Benefit Guarantee.

If the Market Value of your Fund Units is less than the Death Benefit Guarantee Minimum Amount, the difference will be applied to the Policy in accordance with our then-current administrative rules.

Generations I – Maturity Guarantee

A Generations I Policy provides a Maturity Guarantee on the Maturity Benefit Date.

The Maturity Guarantee is the greater of the:

- Maturity Guarantee Minimum Amount; or
- Market Value of your Fund Units

Generations I – Maturity Guarantee Minimum Amount

The Maturity Guarantee Minimum Amount on the Maturity Benefit Date is 75 per cent of all Premiums allocated to the Funds up to and including the Maturity Benefit Date, proportionately reduced by any redemptions.

If the Annuitant is living on the Maturity Benefit Date and if the Maturity Guarantee Minimum Amount is higher than the Market Value of your Fund Units, we will top-up the Policy in accordance with our then-current administrative rules to the Maturity Guarantee Minimum Amount. If the Market Value of the Fund Units is higher than the Maturity Guarantee Minimum Amount, we will not pay any top-up amount.

Generations I – Maturity Benefit Date

The Maturity Benefit Date is determined as follows:

A. When the Policy is a RRSP, Spousal RRSP, LIRA, RLSP or locked-in RRSP and a Premium is first allocated to the Segregated Fund Option:
   i. Prior to the Annuitant attaining age 60 and a required minimum amount is continuously maintained in the Segregated Fund Option, you may select the Maturity Benefit Date that must be between Sept. 1 and Dec. 31 in the year the Annuitant attains the Maximum Age. If a date is not selected by you, the Maturity Benefit Date will be Dec. 31 of the year the Annuitant attains the Maximum Age; or
   ii. After the Annuitant attains age 60 or a Premium was allocated prior to age 60 but was not continuously maintained in the option, the Maturity Benefit Date is Dec. 31 of the year the Annuitant attains age 80, subject to payments commencing on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable)

B. When the Policy is non-registered, a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF, the Maturity Benefit Date is the Account Final Maturity Date.

C. If Dec. 31 is not a Valuation Date, the date will be adjusted to the last Valuation Date prior to Dec. 31.

Generations I – No resets of your guarantees

You may not reset either the Maturity or the Death Benefit Guarantee Minimum Amount under a Generations I Policy.

C. Generations II Policy

A Generations II Policy provides a Death Benefit Guarantee and a Maturity Guarantee.

Before the Maturity Guarantee comes into effect or the date we receive notification of the death of the last Annuitant, **the value of Units of a Fund is not guaranteed because it fluctuates with the market value of the assets in the Fund.**

Generations II – Death Benefit Guarantee

Upon receipt by us of satisfactory proof of the last Annuitant's death prior to the Account Final Maturity Date and the Beneficiary's right to the proceeds, we will pay a Death Benefit to the Beneficiary. If there is no Beneficiary, we will pay it to you or your estate.

The Death Benefit Guarantee is the greater of:

- Market Value of your Fund Units on the Valuation Date we receive notification of the death of the last Annuitant, in a form acceptable to us, at our administrative office if received prior to 4 p.m. Eastern Time. If received after 4 p.m. Eastern Time or if the date of notification is not a Valuation Date, we will use the next Valuation Date; or
- The Death Benefit Guarantee Minimum Amount

Generations II – Death Benefit Guarantee Minimum Amount

The Death Benefit Guarantee Minimum Amount varies according to the age of the Annuitant at the time a Premium is allocated to the Segregated Fund Option.

When Premiums are allocated to the Segregated Fund Option prior to the Annuitant's 80th birthday, the Death Benefit Guarantee Minimum Amount is 100 per cent of the Premium allocated to the Segregated Fund Option, reduced proportionately by any redemptions.

When Premiums are allocated to the Segregated Fund Option on or after the Annuitant's 80th birthday, the Death Benefit Guarantee Minimum Amount is the following percentage of the Premium allocated to the Segregated Fund Option, reduced proportionately by any redemptions.

- 75 per cent in first Premium Year
- 80 per cent in second Premium Year
- 85 per cent in third Premium Year
- 90 per cent in fourth Premium Year
- 95 per cent in fifth Premium Year
- 100 per cent in sixth and subsequent Premium Years

The Death Benefit Guarantee Minimum Amount is the sum of the guaranteed amounts applicable for each Premium Year.

When the Policy is a RRSP, Spousal RRSP, LIRA, RLSP or locked-in RRSP and payments commence on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable) the Death Benefit Guarantee Minimum Amount will not change.

No deferred sales charges are applied upon the payment of a Death Benefit Guarantee.

If the Market Value of the Fund Units is less than the Death Benefit Guarantee Minimum Amount, the difference will be applied to the Policy in accordance with our then-current administrative rules.

Generations II – Death Benefit Guarantee Reset Option

The Death Benefit Guarantee Reset Option (the DBG Reset Option) is an optional benefit available at an additional fee. The option must be selected when you allocate the first Premium to the Segregated Fund Option under a Generations II Policy. The DBG Reset Option may only be selected at this time and cannot be terminated.

The DBG Reset Option resets the Death Benefit Guarantee Minimum Amount on each anniversary of the Fund Entry Date when the Market Value of your Fund Units is greater than the existing Death Benefit Guarantee Minimum Amount. If the Market Value of your Fund Units is less than the Death Benefit Guarantee Minimum Amount, the Death Benefit Guarantee Minimum Amount will not change.

Fund Entry Date refers to the most recent date a Premium is allocated to the Segregated Fund Option when immediately prior to that, no Premiums were allocated to the option.

Resets will occur up to and including the last anniversary of the Fund Entry Date prior to the Annuitant attaining the age of 70. After this date, no further resets will occur.

If, after electing this option, you redeem all Fund Units and subsequently allocate a Premium to the Segregated Fund Option, the Death Benefit Guarantee Reset Option (if offered by us at that time) will continue at the then-current Death Benefit Guarantee Reset Fee.

We reserve the right to cease offering the DBG Reset Option at any time without notice.

When a Policy is a RRSP, Spousal RRSP, LIRA, RLSP or locked-in RRSP and payments commence on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable) the Death Benefit Guarantee will continue to apply.

Generations II – Death Benefit Guarantee Reset Fee

The Death Benefit Guarantee Reset Fee for the DBG Reset Option varies for each Fund and from time to time. The fee is a percentage of the market value of the Fund Units allocated to the Policy. The fee for each Fund is shown on its Fund Facts available in the Fund Facts booklet. We calculate the reset fee for each Fund and deduct the reset fee as one amount by redeeming units once a year on each anniversary of the Fund Entry Date. The fee will cease after the last anniversary of the Fund Entry Date prior to the Annuitant turning age 70. Subject to our then-current administrative rules, you may elect which Fund the reset fee is to be charged to otherwise the reset fee will be taken from a Fund based on our then-current administrative rules.

We reserve the right to change the fee at any time. If we increase the fee by more than the greater of 0.50 per cent per year or 50 per cent of the current annual fee, the change will be considered a fundamental change and notice will be provided to you 60 days in advance (see Fundamental Changes to the Funds).

Generations II – Maturity Guarantee

A Generations II Policy may provide a Maturity Guarantee on the Maturity Benefit Date. If there is no Maturity Benefit Date there is no Maturity Guarantee. Where the Policy is a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF and the initial Premium is not received from a Generations II RRSP, Spousal RRSP, LIRA, RLSP or locked-in RRSP, there will be no Maturity Guarantee.

When applicable, the Maturity Guarantee is the greater of the:

- Maturity Guarantee Minimum Amount, or
- Market Value of your Fund Units

Generations II – Maturity Guarantee Minimum Amount

The Maturity Guarantee Minimum Amount on the Maturity Benefit Date is the sum of:

- 100 per cent of the Premiums allocated to the Segregated Fund Option, when the Premiums were continuously maintained in this option for at least 15 years prior to and including the Maturity Benefit Date, reduced proportionately by any redemptions; and
- 75 per cent of the Premiums allocated to the Segregated Fund Option for less than 15 years prior to the Maturity Benefit Date, reduced proportionately by any redemptions

If the Annuitant is living on the Maturity Benefit Date and if the Maturity Guarantee Minimum Amount is greater than the Market Value of your Fund Units, we will top-up the Policy in accordance with our then-current administrative rules to the Maturity Guarantee Minimum Amount. If the Market Value of the Fund Units is greater than the Maturity Guarantee Minimum Amount, we will not pay any top-up amount.

Generations II – Maturity Benefit Date

A) Initial Maturity Benefit Date

You may select the initial Maturity Benefit Date provided:

- The date is at least 15 years after the Fund Entry Date, and
- It does not exceed the Account Final Maturity Date

Fund Entry Date refers to the most recent date a Premium is allocated to the Segregated Fund Option when, immediately prior to that, no Premiums were allocated to this option.

If an initial Maturity Benefit Date is not selected, the default initial Maturity Benefit Date will be 15 years from the Fund Entry Date provided it does not exceed the Account Final Maturity Date. If the Account Final Maturity Date is less than 15 years from the Fund Entry Date, a Maturity Benefit Date will not be established and there will be no Maturity Guarantee.

If the initial Maturity Benefit Date is not a Valuation Date, the date will be adjusted to the last Valuation Date prior to the Maturity Benefit Date.

Except when the Policy is a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF, you may request once each calendar year, prior to the initial Maturity Benefit Date, in a form satisfactory to us, to change the initial Maturity Benefit Date.

The revised Maturity Benefit Date:

- Must be at least 15 years from the next anniversary of the Fund Entry Date, and
- Cannot exceed the Account Final Maturity Date

B) Subsequent Maturity Benefit Date

A subsequent Maturity Benefit Date is a Maturity Benefit Date that occurs after the initial Maturity Benefit Date.

Except when the Policy is a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF you may, prior to a Maturity Benefit Date, select a subsequent Maturity Benefit Date provided:

- The date is at least 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date, and
- It does not exceed the Account Final Maturity Date

If no alternate direction is received, on a Maturity Benefit Date, a subsequent Maturity Benefit Date will be established as follows:

i) For a Policy that is a RRSP or Spousal RRSP, the subsequent Maturity Benefit Date will be 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date but will not exceed the Account Final Maturity Date. When the Account Final Maturity Date is less than 15 years from the anniversary of the Fund Entry Date, a subsequent Maturity Benefit Date will not be established and there will be no Maturity Guarantee.

ii) For a Policy that is a Locked-in RRSP, RLSP or LIRA and administered in accordance with Applicable Pension Legislation:
   - That does not require you to receive payments from a life annuity at a specified age, the subsequent Maturity Benefit Date will be 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date but will not exceed the Account Final Maturity Date. When the Account Final Maturity Date is less than 15 years from the anniversary of the Fund Entry Date, a subsequent Maturity Benefit Date will not be established and there will be no Maturity Guarantee; or
   - That requires you to receive payments from a life annuity at a specified age and there:
     - Are 15 or more years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date to the date when payments are required to commence from a life annuity, a subsequent Maturity Benefit Date will be established 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date; or
     - Are less than 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date to the date when payments are required to commence from the life annuity, a subsequent Maturity Benefit Date will not be established and there will be no Maturity Guarantee.

iii) For a Policy that is non-registered and there are 15 years or more to the Account Final Maturity Date, the subsequent Maturity Benefit Date will be 15 years from the most recent anniversary of the Fund Entry Date that is on or after the Maturity Benefit Date. If there is less than 15 years to the Account Final Maturity Date, a subsequent Maturity Benefit Date will not be established and there will be no Maturity Guarantee.

Generations II – Maturity Guarantee Reset Option

The Maturity Guarantee Reset Option (the MG Reset Option) is an optional benefit available at an additional fee. The option must be selected when you allocate the first Premium to the Segregated Fund Option under a Generations II Policy. The MG Reset Option may only be selected at this time and cannot be terminated.

The MG Reset Option resets the Maturity Guarantee Minimum Amount on each anniversary of the Fund Entry Date if the Market Value of your Fund Units is greater than the Maturity Guarantee Minimum Amount. If the Market Value of your Fund Units is less than the Maturity Guarantee Minimum Amount, the Maturity Guarantee Minimum Amount will not be increased.

Fund Entry Date refers to the most recent date a Premium is allocated to the Segregated Fund Option when immediately prior to that no Premiums were allocated to the option.

Resets will occur up to and including the last anniversary of the Fund Entry Date that is 15 years prior to the applicable Maturity Benefit Date.

After this date no further resets will occur. The Maturity Guarantee Reset Fee will continue to be to be paid until the last anniversary of the Fund Entry Date prior to the applicable Maturity Benefit Date. If the Maturity Benefit Date is changed, no retroactive resets will occur.

If, after electing this option, you redeem all Fund Units and subsequently allocate a Premium to the Segregated Fund Option, the Maturity Guarantee Reset Option (if offered by us at that time) will continue at the then current Maturity Guarantee Reset Fee. A Maturity Benefit Date will be established as outlined under *Initial Maturity Benefit Date* above.

When a Policy is a RRSP, Spousal RRSP, LIRA, RLSP or locked-in RRSP and payments commence on a RRIF, Spousal RRIF, PRIF, LIF, RLIF or LRIF basis (as applicable) the Maturity Guarantee will continue to apply.

We reserve the right, in our sole discretion, to discontinue the Maturity Guarantee Reset Option.

Generations II – Maturity Guarantee Reset Fee

The Maturity Guarantee Reset Fee for the MG Reset Option varies for each Fund and from time to time.

The fee is a percentage of the market value of the Fund Units allocated to your Policy. The fee for each Fund is shown on its Fund Facts available in the Fund Facts booklet. We calculate the reset fee for each Fund and deduct the reset fee as one amount by redeeming units once a year on each anniversary of the Fund Entry Date. The fee will cease after the last anniversary of the Fund Entry Date prior to the applicable Maturity Benefit Date. Subject to our then-current administrative rules, you may elect which Fund the reset fee is to be charged to otherwise the reset fee will be taken from a Fund based on our then-current administrative rules.

We reserve the right to change the fee at any time. If we increase the fee by more than the greater of 0.50 per cent per year or 50 per cent of the current annual fee, the change will be considered a fundamental change and notice will be provided to you 60 days in advance (see *Fundamental Changes to the Funds*).

For example:

Let's assume that you establish your Generations II non-registered Policy with a Premium of $8,000 allocated to a Fund on Feb. 5, 2026 and no further Premiums are added. The Annuitant of the Policy is 40 years old. The Fund Entry Date is Feb. 5, 2026. You select June 1, 2045 as the Maturity Benefit Date. You have also selected the Maturity Guarantee Reset Option.

On the first anniversary of the Fund Entry Date, Feb. 5, 2027, the Market Value of your Fund Units is compared to the existing Maturity Guarantee Minimum Amount and the guarantee is reset to the Market Value of your Fund Units, as it is higher, as shown below:

Anniversary of the Fund Entry Date	Market Value of your Fund Units on the anniversary of the Fund Entry Date	Existing Maturity Guarantee Minimum Amount	New Maturity Guarantee Minimum Amount
Feb. 5, 2027	$8,500	$8,000	$8,500

Continuing this example, on the next anniversary, Feb. 5, 2028, we find that the Market Value of your Fund Units is $8,300, which is lower than the existing Maturity Guarantee Minimum Amount, $8,500. Since the Maturity Guarantee Minimum Amount is higher than the Market Value of your Fund Units, the Maturity Guarantee Minimum Amount will not change and remains at $8,500.

This comparison continues as indicated in the table below.

Anniversary of the Fund Entry Date	Market Value of your Fund Units on the anniversary of the Fund Entry Date	Existing Maturity Guarantee Minimum Amount	New Maturity Guarantee Minimum Amount
Feb. 5, 2028	$8,300	$8,500	$8,500
Feb. 5, 2029	$8,900	$8,500	$8,900
Feb. 5, 2030	$9,400	$8,900	$9,400

On June 1, 2030 there are 15 years until the Maturity Benefit Date. This means that Feb. 5, 2030 was the last anniversary of the Fund Entry Date when a reset could occur. During the next 15-year period, no further resets of the Maturity Guarantee Minimum Amount will occur, although the fee for the reset option will continue.

On June 1, 2045, the Maturity Benefit Date, we find the Market Value of your Fund Units to be $12,500 and the Maturity Guarantee Minimum Amount is $9,400. As the Market Value of your Fund Units is greater than the Maturity Guarantee Minimum Amount, $9,400, we would not top up the Policy.

Alternatively, if on June 1, 2045, the Market Value of your Fund Units was $8,800 and your Maturity Guarantee Minimum Amount was $9,400, we would top up the Policy to $9,400 by applying $600 to it.

In both cases, there are more than 15 years or more from the next anniversary of the Fund Entry Date to the Account Final Maturity Date, so a subsequent Maturity Benefit Date of Feb. 5, 2061 will be established unless you select a later date that does not exceed Dec. 31, 2085, the Account Final Maturity Date.

Continuing this example, we assume the Maturity Benefit Date will be Feb. 5, 2061. So, on the next anniversary of the Fund Entry Date, Feb. 5, 2046, there are 15 years until the Maturity Benefit Date. This means that Feb. 5, 2046 is the last anniversary of the Fund Entry Date when a reset could occur.

On the anniversary date, Feb. 5, 2046, we find the Market Value of your Fund Units is $11,450, which is higher than the existing Maturity Guarantee Minimum Amount of $9,400. Since the Maturity Guarantee Minimum Amount is lower than the Market Value of your Fund Units, the Maturity Guarantee Minimum Amount will increase to $11,450.

During the 15-year period between Feb. 5, 2046 and the established Maturity Benefit Date, Feb. 5, 2061, no further resets of the Maturity Guarantee Minimum Amount will occur, although the fee for the reset option will continue.

On Feb. 5, 2061, the subsequent Maturity Benefit Date, we will once again compare the Market Value of your Fund Units to the Maturity Guarantee Minimum Amount and will determine if a top-up is applicable.

How redemptions affect your guarantees

When you make a redemption from a Policy, it affects the amounts that are used to calculate any applicable Death Benefit or Maturity Guarantee. Also, all redemptions will reduce the amount available to make annuity payments following the Account Final Maturity Date. Redemptions affect Policies differently. See the examples below.

Generations Core, Generations I and Generations II Policies

The following example explains how redemptions affect the guarantees under a Generations Core, Generations I or Generations II Policy. It only applies to Maturity and Death Benefit Guarantee Minimum Amounts when the Annuitant has not paid any Premiums to the Funds on or after age 80 and has not selected a reset option under a Generations II Policy. For Premiums paid on or after age 80, the Death Benefit Guarantee Minimum Amount percentage will change, see *Death Benefit Guarantee* section under *Generations I and Generations II Policies.*

For example:

A 55-year-old individual establishes a Generations I Non-Registered Policy on June 15, 2026 and has allocated a total of $5,000 in Premiums to a Fund:

Assume the individual requests a redemption of $1,200 on July 31, 2028 when the Market Value of all Funds is $4,800. Canada Life uses the first in, first out method to process the redemption. The redemption will reduce the Market Value of all Funds in the Policy by 25 per cent ($1,200 / $4,800).

The guarantees will be reduced proportionately by the same 25 per cent, as shown in the following table.

Premiums allocated and amount used to calculate the guarantees (G)	Maturity Guarantee Minimum Amount (75% x G)	Death Benefit Guarantee Minimum Amount (100% x G)	Current Market Value of those Premiums (M)	Redemption amount (R)	Redemption amount as a percentage of the current Market Value (P=R/M)	G reduced by this amount, a proportional reduction (D=P x G)	New amount used to calculate the Premium Maturity Guarantee Minimum Amount (NA=G-D)	New Premium Maturity Guarantee Minimum Amount (75% x NA)	New Death Benefit Guarantee Minimum Amount (100% x NA)
$5,000	$3,750	$5,000	$4,800	$1,200	25%	$1,250	$3,750	$2,812.50	$3,750

Fees and expenses

This section explains the fees and expenses that you pay to us for managing the Fund and paying for the guarantees (see *Fees and expenses paid by a Fund*).

What you have to pay depends on the features and options you select. First, you decide which level of guarantee — Generations Core, Generations I or Generations II — is most appropriate to your needs.

The total cost of investing in a Fund (known as the management expense ratio or MER) is the sum of the management fee and the expenses to operate the fund.

If you decide to add one or more reset options to your Generations II policy, you will have to pay an additional fee on top of the MER. You will need to add that fee to the MER to get the cost of holding that segregated fund with those options.

For example, if you selected the Generations II policy and hold units of the XYZ Fund you would pay a MER of 2.91 per cent.

- If you only wanted the maturity guarantee reset option, you would be charged an additional fee of 0.05 per cent, resulting in a total annual cost of 2.96 per cent (2.91 per cent plus 0.05 per cent).
- If you only wanted the death benefit guarantee reset option, you would be charged an additional fee of 0.11 per cent, resulting in a total annual cost of 3.02 per cent (2.91 per cent plus 0.11 per cent).
- If you wanted both the maturity guarantee reset option and the death benefit guarantee reset option, you would be charged a fee for each option, as shown above, resulting in a total cost of 3.07 per cent (2.91 per cent plus 0.05 per cent plus 0.11 per cent).

You may also have to pay other fees and expenses as described under *Fees and expenses paid directly by you*, but these are generally costs that depend on actions taken by you, and will not be imposed unless you do something specific (for example, redeeming your deferred sales charge option units prematurely), or request a specific additional service (for example, extra copies of annual statements).

Fees and expenses paid by a Fund

Management expense ratio (MER)

The MER is made up of the Management Fee and operating expenses of the Fund, expressed as an annualized percentage of the Fund's average net asset value for the year. You do not directly pay the MER. The Management Fee and operating expenses are paid from the Fund before the unit value of a Fund is calculated.

The MER of a Fund is subject to change without notice. The current MER is found on each of the *Fund Facts* available in the *Fund Facts* booklet.

The updated MER is published each year in the audited financial statements, which are available on or about April 30 of each year. For more information on how to obtain these statements, see *Keeping track of your investments.*

Management Fees and operating expenses

The Management Fee, which is a percentage of the Market Value of each Fund plus applicable taxes, is deducted from each Fund on each Valuation Date and paid to us before we calculate the Fund's unit value. Management Fees differ by Fund. When a Fund invests in Units of Underlying Funds, Management Fees may be charged by the Underlying Funds. To avoid duplication of Management Fees, we will reduce the Management Fee that would otherwise have been charged to a Fund so that the total Management Fees paid by you do not exceed our then-current schedule of Management Fees.

We reserve the right to change the Management Fee applicable to any Fund by giving you at least 60 days notice. For more information, see the section *Fundamental Changes to Funds*.

In addition to the Management Fees, each Fund and Underlying Fund is responsible for paying their respective operating expenses. These operating expenses plus applicable taxes, may include fees for Policy administration, trustee, legal, accounting, custodial, brokerage and audit costs, safekeeping services, transfer agent costs relating to the issue and redemption of Units, and costs of financial and other reports, including information folders, required to comply with applicable regulatory requirements.

These expenses will vary depending on the actual expenses incurred. The total of the Management Fee plus the expenses charged to the Fund is called the Management Expense Ratio (MER).

The Death Benefit Guarantee Reset Fee and Maturity Guarantee Reset Fee under a Generations II Policy are separate fees and are not included in the Management Fees and operating expenses. For more information, see *Death Benefit Guarantee Reset Fee* and *Maturity Guarantee Reset Fee* under *Generations II Policy.*

Fees and expenses paid directly by you

You may have to pay the following fees and expenses directly when you invest in a policy:

- Deferred sales charges, see *Deferred Sales Charge Option*
- Maturity Guarantee Reset Option Fee
- Death Benefit Guarantee Reset Option Fee
- Short-term trading fee, see *Short-term Trading*

These fees and expenses are explained in more detail below. We have the right to change the amount or the nature of the fees and expenses paid by you at any time.

You do not pay for the following services:

- Establishing non-registered or registered policies
- APRs and scheduled periodic income payment
- Switches between Funds unless the Premium has been in the Fund for less than the specified period. See *Short-term Trading*
- We reserve the right to charge fees for additional services from time to time and to change the amount or the nature of the fees and expenses paid by you at any time.

Deferred sales charge option

If you redeem DSC units before the expiration periods shown in the following table, you will pay a DSC to us.

In order to determine the dollar value of the charge, the deferred sales charge percentage is multiplied by the Net Asset Value of the Units being redeemed. The appropriate deferred sales charge percentage is determined according to the Premium Year attributed to the relevant Fund Units.

Premium Year	Deferred sales charge when redeeming from deferred sales*
1	4.5%
2	4.5%
3	4.0%
4	3.5%
5	3.0%
6	2.5%
7	1.5%
8 and thereafter	0%

* Net of the Free Amount (see section *Free Amount from Deferred Sales Charges*)

Maturity Guarantee Reset Option Fee and Death Benefit Guarantee Reset Option Fee

If you select either or both of the Maturity Guarantee Reset Option or Death Benefit Guarantee Reset Option when the first Premium is allocated to the Segregated Fund Option, you must pay an additional fee. Once selected the reset option cannot be terminated.

The amount of this fee varies depending on the Funds you hold. We deduct the applicable fees annually from each Fund on the anniversary of the Fund Entry Date. The Death Benefit Guarantee Reset Option Fee and Maturity Guarantee Reset Option Fee for each Fund are shown on each *Fund Facts* available in the *Fund Facts* booklet.

We have the right to change these fees at any time. If we increase these fees by more than the greater of 0.50 per cent per year or 50 per cent of the current fee, it will be considered a fundamental change and you will have certain rights (see section *Fundamental Changes*). If we increase a fee, we will tell you in writing 60 days before we make the change.

Short-term Trading fee

See *Short-term Trading* for further details.

Investment policy

We have established investment and lending policies in relation to our segregated funds that we believe are reasonable and prudent. The investment policies comply with:

- Federal and provincial pension benefit standards laws.
- Canadian Life and Health Insurance Association Inc. (CLHIA) *Guidelines on Individual Variable Insurance Contracts Relating to Segregated Funds,* as amended and approved by the CLHIA Board of Directors and the Canadian Council of Insurance Regulators.
- Autorité des marches financiers (AMF) *Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds,* as amended, and approved by Autorité des marches financiers.
- all as may be amended from time to time.

The Funds may achieve their investment objective and/or investment strategies by either investing directly in securities or in Units of one or more Underlying Funds that have a similar investment objective of the Fund. If the Underlying Fund is a mutual fund, the fundamental investment objective of the mutual fund cannot be changed unless approved by the mutual fund unitholders. If such a change is approved, we will give you notice of the change.

When a Fund invests in an Underlying Fund, there will be no duplication of Management Fees.

The earnings of each segregated fund are reinvested in the same segregated fund according to its investment objectives and investment strategies.

The segregated Funds may lend securities in a manner that is prudent, in the interest of the segregated Fund, and in compliance with any applicable laws. As of the date of the information folder, the Canada Life Real Estate Fund is the only Fund that may borrow to buy securities. The other segregated funds do not borrow money except for the purpose of funding redemptions (and only to the extent permitted by applicable regulatory requirements).

For a summary of a segregated fund's investment policy, see each of the *Fund Facts*, available in the Fund Facts booklet. A detailed description of each segregated fund's investment objective and strategies is available upon request from Canada Life at the address on the inside of the front cover.

In addition, you may request information about the underlying funds, including audited financial statements of the underlying funds by contacting your advisor.

The sum of a segregated fund's exposure to any one corporate entity will not exceed 10 per cent of the value of the segregated fund at the time of the investment. Furthermore, the percentage of securities of any one corporate issue that may be acquired is limited to 10 per cent of each class of securities of any one corporate issuer, except for any corporate issue guaranteed by, any government authority in Canada. This limitation will not apply to a segregated fund that is an index fund. We will not, in respect of any segregated fund, invest in securities of an issuer for the purpose of exercising control or management.

Performance of segregated funds and underlying funds

The investment objectives and investment strategies of the Funds are in many cases similar to the objectives and strategies of a corresponding Underlying Fund sponsored by our investment managers. Although the Funds have these similar objectives and strategies, and in most cases will have investment portfolios managed by the same individuals, the performance of the Underlying Funds and the corresponding segregated Funds will not be identical.

Fund discontinuance

We reserve the right to manage our Fund offerings. If we stop offering a Fund we will give you at least 60 days advance written notice of our intent and of the action we will be taking. You have the right to Switch the value of your Units to a similar Fund; see the section *Fundamental Changes to Funds*. Fund Switches will be made according to the terms described in the section entitled Switching, from the selection of Funds we offer at that time. If we don't hear from you five days before the Valuation Date the Fund is discontinued, we'll exchange the Units of the Fund that is discontinued for Units of a Money Market Fund, or another Fund we select according to our then-current administrative rules. The Money Market Fund or applicable Fund will be within the same fee option as the discontinued Fund.

We also reserve the right to modify or change any Fund strategy including the removal or substitution of underlying funds, without notice to you. We may also change the manager of a Fund upon a minimum of 60 days notice to you.

Disclosure

No director, senior officer, associate or affiliate of Canada Life has had any material interest, direct or indirect, in any transactions within the three years prior to the date of this information folder, or in any proposed transaction that has materially affected Canada Life, or any of its subsidiaries with respect to the Funds.

In the last two years, we have not entered or amended any contracts that are material to Policyowners who allocate Premiums to the Funds. There are no other material facts relating to the Policy that have not been disclosed in this information folder.

We do not retain a principal broker for buying or selling the underlying investments in the Funds. We usually arrange these transactions through many different brokerage houses.

Investment managers

We have the right to appoint or change investment managers to provide investment management, investment advisory and related services necessary for the investment and management of segregated fund property.

We currently retain the following investment managers for the Funds.

- **AGF Investments Inc.** located at P.O. Box 50 Suite 3100, Toronto-Dominion Bank Tower, Toronto ON M5K 1E9
- **Canada Life Investment Management Ltd.** located at 255 Dufferin Ave,London ON N6A 4K1
  Canada Life Investment Management Ltd.manages their asset allocation mandates through Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.
- **Fidelity Investments Canada ULC.** located at 200-483 Bay St, Toronto ON M5G 2N7
- **GWL Realty Advisors Inc.** located at 830-33 Yonge St, Toronto ON M5E 1G4
- **Invesco Canada Ltd.** located at 900-5140 Yonge St, Toronto ON M2N 6X7
- **JP Morgan Asset Management (Canada) Inc.** located at Royal Bank Plaza, South Tower, 1800 -200 Bay St, Toronto ON M5J 2J2 or 600-999 Hastings St W, Vancouver BC V6C 2W2
- **Mackenzie Investments** located at 180 Queen St Toronto ON M5V 3K1
  Mackenzie Investments is the brand for investment management activities undertaken by Mackenzie Financial Corporation.
- **Putnam Investments Canada ULC** c/o Legal Department located at 180 Queen St W, Toronto ON M5V 3K1 or One Post Office Square, Boston Massachusetts 02109
- **Setanta Asset Management Limited** located at College Park House, 20 Nassau St, Dublin 2, Ireland

GWL Realty Advisors Inc., Setanta Asset Management Ltd., Canada Life Asset Management, Irish Life Investment Managers Limited and Canada Life Investment Management Ltd. are wholly owned subsidiaries of The Canada Life Assurance Company. Putnam Investments Canada ULC is a wholly owned subsidiary of Great-West Lifeco Inc. The Canada Life Assurance Company and Mackenzie Investments are members of the Power Corporation group of companies. Policies are in place to avoid any potential conflicts of interest.

Investment manager review process

Through our investment manager review process, we regularly review and monitor investment managers against our standards and established expectations.

These reviews include:

- A review of performance – absolute and risk-adjusted – and the consistency of this performance relative to their peer group and benchmark.
- A review of the investment policies and procedures of the Fund to ensure the Fund objectives, risk tolerances and investment constraints are being met.
- A review of qualitative factors such as portfolio turnover and consistency of style.

Our review is carried out by our investment manager review committee. This committee consists of members of senior management with a wide variety of business and investment qualifications.

Income tax considerations

This is a general summary of income tax considerations for Canadian residents. It is based on the current *Income Tax Act* (Canada), as amended from time to time, and does not take into account any provincial, territorial or foreign tax laws. The summary does not include all possible tax considerations.

The taxation of certain benefits available with these annuities is not certain at this time. You are responsible for the proper reporting of all taxable income and payment of all related taxes. This summary is not intended to offer you tax advice.

We have tried to make this discussion easy to understand. As a result, we cannot be technically precise, or cover all of the tax consequences that may apply. **You should consult your tax advisor about the tax treatment of these annuities for your personal circumstances.**

Tax status of the Funds

The Funds are not separate legal entities. They fall under the definition of segregated funds in the *Income Tax Act* (Canada). For tax purposes, the segregated Funds are deemed to be trusts that are separate entities from Canada Life. The assets of the Funds are kept separate from our general assets.

The Funds generally do not pay income tax because all their income and realized capital gains and losses are allocated to you and other Fund Policyowners each year.

The Funds may have foreign tax withheld on income that is earned by non-Canadian investments.

Tax status of Policyowners

RRSPs, Spousal RRSP, LIRAs, Locked-in RRSPs or RLSPs

A RRSP is registered under the *Income Tax Act* (Canada). The contributions you make to your RRSP and Spousal RRSP are tax deductible up to an annual limit as determined by the Canada Revenue Agency (CRA). You can only open a LIRA, Locked-in RRSP or RLSP with money from a pension plan, if federal or provincial pension laws allow you to. Pension laws place certain restrictions on them.

You do not have to report investment income allocated to you by the Funds in the year that the income is earned. However, for income tax purposes, you must report any redemptions you make from your RRSP, unless the money is transferred directly to another Policy registered under the *Income Tax Act* (Canada). Tax will be withheld on redemptions.

If you make a redemption from your Spousal RRSP, your contributing spouse or common-law partner may have to pay the tax on the amount redeemed if an amount was paid to this or any other Spousal RRSP in the current or two immediately preceding taxation years.

We will withhold tax on any redemptions according to the requirements of the CRA and/or any applicable provincial requirements.

RRIFs, Spousal RRIFs, PRIFs, LRIFs, LIFs, RLIFs

A RRIF is registered under the *Income Tax Act* (Canada). You can only open a RRIF with money transferred from another Policy registered under the *Income Tax Act* (Canada). You can also transfer money from a pension plan to a PRIF, LRIF, LIF or RLIF, if federal or provincial pension laws allow you to.

You do not have to report investment income that is allocated to you by the Funds within your RRIF, Spousal RRIF, PRIF, LRIF, LIF or RLIF in the year that it's earned. However, all the income payments you receive from your RRIF, Spousal RRIF, PRIF, LRIF, LIF or RLIF are taxable each year and tax may be withheld on these payments. Current income tax regulations require us to withhold income tax on any amount withdrawn in excess of the minimum income permitted from a RRIF, Spousal RRIF, PRIF, LRIF, LIF or RLIF.

The transfers you make to a RRIF, Spousal RRIF, LRIF, LIF or RLIF are not tax deductible.

Upon your death, the proceeds of your Registered Policy will be paid to your designated Beneficiary or your estate. If your spouse or common-law partner is the Beneficiary of the Policy or of your estate and he or she chooses to transfer the proceeds of your registered Policy into his/her registered Policy, the transfer will be on a tax-deferred basis. If, however, he or she takes the proceeds in cash, the proceeds would be taxable to you on your final income tax return. If the Beneficiary of the Policy or of your estate is a child or grandchild who is financially dependent on you (due to mental or physical disability), the child may choose to transfer the proceeds of your Registered Policy into his/her registered Policy on a tax deferred basis. These situations are subject to applicable legislation.

If the Beneficiary of your registered Policy or of your estate is a minor child, children, grandchild or grandchildren, he/she may choose to defer tax by purchasing a term certain annuity payable until age 18. This would allow him/her to pay tax only on the annuity income they receive each year.

If someone other than your spouse or common-law partner, child or grandchild is your Beneficiary or if you did not designate a Beneficiary of the Policy or of your estate, the proceeds of the Policy payable upon your death will be taxable income on your final income tax return.

Non-Registered Policies

If the Policy is not registered under the *Income Tax Act* (Canada), you will be subject to tax on any income allocated to it. This includes capital gains/ losses, interest income and dividend income, whether foreign or domestic in origin. In addition, if you make a redemption from the Policy, you will be subject to a share of accrued and unrealized capital gains or losses of a Fund. You will receive an annual tax slip reporting any capital gains or losses, foreign and domestic dividend and investment income and any foreign taxes paid and the Canadian dividend tax credit.

The tax information we provide to you will not include adjustments for transactions that generate superficial losses under the *Income Tax Act* (Canada). To avoid the creation of superficial losses that will be denied for income tax purposes, we recommend that you avoid allocating Premiums to Units of a Fund within 30 days before or after redeeming Units of that same Fund.

Taxation of Guarantees

In a Registered Policy, any maturity guarantee amount that is paid is taxable when the money is redeemed from the Policy.

In a Non-Registered Policy, any guarantee amount that is paid to the Policy may be taxable to you when it is paid into the Policy. The CRA has not clearly defined the taxability of any guarantee payment. As such, we cannot guarantee the accuracy of any statement regarding the definitive taxation of a guarantee payment from a Non-Registered Policy.

Keeping track of your investments

What you will receive

In addition to this information folder, you will receive a copy of the individual variable insurance contract at the time your application is signed. You will subsequently receive a welcome letter and a notice to confirm that your initial Premium was paid and how it was allocated. The welcome letter informs you of your client number that should be used on all future correspondence. The confirmation tells you about your investments, the number of Units transacted and at what Unit Value and/or the type of guaranteed interest term you selected and at what interest rate.

We recommend you file all of this information with your contract booklet. You will not receive confirmations for regular transactions such as a PAC, APR or scheduled income payments.

A statement will be sent to you no less than annually showing the transactions from January to December. It will provide the total number of Fund Units transacted, and the Unit Value of a Fund Unit for each Fund held as of the statement date. The statement will also show transactions in any Interest Bearing Investment Option allocated to the Policy. If you should find an error on your statement, you must report the error to us within 60 days of receipt of your statement in order for us to reconcile or correct it. We reserve the right to adjust the statement for errors and omissions.

Any written communications will be sent to you at the most recent address in our records for the policy. Please tell us promptly if your address changes.

We may change the frequency or content of your statement, subject to applicable laws.

The most current *Fund Facts* for each segregated fund is available upon request to Canada Life at the address on the inside front cover or by visiting our website at canadalife.com.

The annual audited financial statements will be available to you after April 30 and the semi-annual unaudited financial statements will be available after Sept. 30 of each year. You may obtain copies of the audited financial statements upon request either from our website or by asking us to mail you a paper copy. You may obtain copies of the semi-annual unaudited financial statements upon written request

Accessing additional information on your investments

If you need any information about the Policy, please use any of the following means to contact us.

- **Call our Client Service Centre** at 1-888-252-1847. Our Client Service Representatives would be pleased to help you with any questions or requests you have. Our Client Service Centre can also be reached by email at **isp_customer_care@canadalife.com**.
- **Call our touch-tone telephone service** at 1-877-726-9224. This secure automated service allows you to access segregated Fund Unit Values, the Policy balance, and more.
- **Go to our website** at **canadalife.com** and sign in using the link on the site. Then select Personal Investments and Insurance to visit My Canada Life. Through My Canada Life you can switch to e-statements, update your contact details and download important documents anytime.
- **Write to** Canada Life at one of our administrative offices:

The Canada Life Assurance Company
Wealth Operations
255 Dufferin Ave
London ON N6A 4K1

or

The Canada Life Assurance Company
Wealth Operations, M-1110
1350 René-Lévesque Blvd W
Montréal QC H3G 1T4

Administrative information

Auditor

Canada Life Funds are audited by Deloitte & Touche LLP, 2300-360 Main St, Winnipeg MB R3C 3Z3. Canada Life reserves the right to terminate this arrangement by giving 60 days written notice to the interested parties.

Assuris

Assuris is a not-for-profit corporation, funded by the life insurance industry that protects Canadian Policyowners against loss of benefits due to the financial failure of a member company. Details about the extent of Assuris's protection are available at **assuris.ca** or in its brochure, which can be obtained from your Advisor, Canada Life, **info@assuris.ca** or by calling 1-866-878-1225.

Fund risks

All Funds hold different types of investments – stocks, bonds, other funds, cash – depending on what the fund invests in. Different kinds of Funds are subject to different risks. The value of the Funds will vary from day to day because of various factors including changes in interest rates, economic conditions, and market and company news. As a result, the market value of Fund units may go up and down, and the value of your investment may have increased or decreased when you redeem it.

Although you can never eliminate risk, you can reduce the risk through diversification, which means investing in a variety of different investments. You can achieve diversification by investing in an asset allocation fund or investing in several Funds with different risks.

In certain circumstances, a Fund may suspend redemptions. For more information, see *When the redemption of your units may be delayed.*

On each *Fund Facts* page the section *Who is this fund for?* can help you decide if the Fund might be suitable for you.

As well, on each *Fund Facts* page the Funds have been rated as to how risky they are –low to high – in the section *How risky is it?* This rating, where applicable, has been determined using historical volatility risk as measured by the standard deviation of fund performance. Other types of risk, both measurable and non-measurable, may exist and a Fund's historical volatility may not capture all potential risks or be indicative of its future volatility. For example, a Fund with a low risk level would be more appropriate for an investor with a short time horizon and who is seeking capital preservation. A Fund with a high-risk level would be more appropriate for a long-term investor who is seeking to grow their capital and can tolerate the ups and downs of the stock market. These ratings are meant as a general guide only. You should consult with your Advisor who can help you determine your appropriate risk level.

Below is a summary of the various types of risks that may apply to the Funds.

Commodity risk

A segregated fund that invests in energy and natural resource companies, such as oil, gas, mining and gold, will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time which will have a direct or indirect impact on the market value of the segregated fund. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Company risk

Equity investments such as stocks and investments in trusts, and fixed income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. As a segregated fund's net asset value is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the segregated fund and, therefore, the value of your investment.

Concentration risk

A segregated fund may invest a large portion of its net assets in a small number of issuers, in a particular industry or geographic region, or may use a specific investment style, such as growth or value. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of a segregated fund and may result in increased volatility in the segregated fund's market value. Issuer concentration may also increase the illiquidity of the segregated fund's portfolio if there is a shortage of buyers willing to purchase those securities.

A segregated fund concentrates on a style or sectors either to provide investors with more certainty about how the segregated fund will be invested or the style of the segregated fund or because a portfolio manager believes that specialization increases the potential for good returns. If the issuer, industry or region faces difficult economic times or if the investment approach used by such segregated fund is out of favour, the segregated fund will likely lose more than it would if it diversified its investments or style. If a segregated fund's investment objectives or strategies require concentration, it may continue to suffer poor returns over a prolonged period of time.

Convertible Securities risk

Convertible securities are fixed income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the issuer's common stock when that price approaches or exceeds the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

Credit risk

An issuer of a bond or other fixed-income investment may not be able to pay interest or to repay the principal at maturity. The risk of such a failure to pay is known as credit risk. Some issuers have more credit risk than others. Issuers with higher credit risk typically pay higher interest rates than interest rates paid by issuers with lower credit risk because higher credit risk companies expose investors to a greater risk of loss. Credit risk can increase or decline during the term of the fixed-income investment.

Companies, governments and other entities that borrow money, and the debt securities they issue, are assigned credit ratings by specialized rating agencies. The ratings are a measure of credit risk and take into account many factors, including the value of any collateral underlying a fixed income investment. Credit ratings are one factor used by the portfolio managers of the segregated funds in making investment decisions. A credit rating may prove to be wrong, which can lead to unanticipated losses on fixed-income investments. If the market perceives that a credit risk rating is too high, then the value of the investments may decrease substantially. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value.

The difference in interest rates between an issuer's bond and a government-issued bond that are otherwise identical in all respects except for the credit rating is known as the credit spread. Credit spreads widen if the market determines that a higher return is necessary to compensate for the increased risk of owning a particular fixed-income investment. An increase in credit spread after the purchase of a fixed-income investment decreases the market value of that investment.

Cyber security risk

Due to the widespread use of technology in the course of business, the segregated funds have become potentially more susceptible to operational risks through breaches in cyber security. Cyber security is the risk of harm, loss, and liability resulting from a failure, disruption or breach of an organization's information technology systems. It refers to both intentional and unintentional events that may cause a segregated fund to lose proprietary information, suffer data corruption, or lose operational capacity, which could cause us and/or a segregated fund to experience disruptions to business operations; reputational damage; difficulties with a segregated fund's ability to calculate its net asset value; or incur regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cyber attacks may involve unauthorized access to a segregated fund's digital information systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, or corrupting data, equipment or systems. Other cyber attacks do not require unauthorized access, such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber attacks on a segregated fund's third-party services providers (e.g., administrators, transfer agents, custodians and sub-advisors) or issuers that a segregated fund invests in can also subject a segregated fund to many of the same risks associated with direct cyber attacks. Similar to operational risks in general, we have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will be successful.

Derivative risk

A derivative security is a financial instrument that derives its value from an underlying security, such as a stock or bond, a currency, or a financial market. It is not a direct investment in the underlying security itself. They are used to reduce the risks associated with changes in interest rates and exchange rates and to enhance returns. The segregated funds can invest in derivatives for hedging purposes and for non-hedging purposes. "Hedging" means a transaction or a series of transactions designed to offset or reduce a specific risk associated with specific positions held by the Funds in certain investments or groups of investments. When derivatives are used for a non-hedging purpose, it allows the segregated funds to invest indirectly in the returns of one or more stocks or an entire index without actually buying the stock(s) or all the stocks in the index.

The segregated funds that invest directly in an underlying fund don't invest directly in derivatives. Most of the other segregated funds may use derivatives for hedging or reducing risk. They may also use derivative instruments for non-hedging purposes in order to invest indirectly in securities or financial markets and gain exposure to other currencies provided that the use of derivative instruments is consistent with the segregated fund's investment objectives. The segregated funds may not use derivatives for leverage.

The use of derivatives carries several risks:

- When a derivative is used for hedging, if a market assumption is wrong, the segregated fund could forego gains that it would have attained if it had not entered into the hedging arrangement. In addition, there is no guarantee that hedging will be effective and that it will eliminate or reduce a loss or exposure that it was designed to hedge.
- When a derivative is used for non-hedging purposes, it may expose the segregated fund to volatility and other risks that affect the underlying market. Any losses that the segregated fund may incur as a result of investing in derivatives may be greater than if the segregated fund had invested in the underlying security itself.
- A segregated fund may be unable to "close out" a position to achieve the intended result if trading in a derivative is halted, or if the market for it becomes illiquid or is subject to trading limits.
- The price of a derivative may not accurately reflect the value of the underlying security.
- Many types of derivative contracts involve contracts with third parties. The other party to a derivative contract may not be able to honour its obligations under the contract. In addition, if money has been deposited with a derivatives dealer, the dealer may go bankrupt and money deposited with the dealer will be lost.
- The Income Tax Act (Canada), or its interpretation, may change the tax treatment of derivatives

Emerging markets risk

Emerging markets have the risks described under foreign currency risk and foreign investment risk. In addition, they are more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards.

Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of a mutual fund's securities. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability of information relating to a mutual fund's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed resulting in delays and the incurring of additional costs to execute trades of securities.

Environmental, Social and Governance (ESG) Investment Objective or Strategy risk

Some funds (or Underlying Funds) have fundamental investment objectives based on one or more ESG criteria or use ESG criteria as a specific component of their investment strategies. Employing ESG criteria in a fund's investment objectives or strategies may limit the types and number of investment opportunities available and, as a result, a segregated fund or an underlying fund, may perform differently compared to similar funds that do not focus on ESG or do not include the same ESG criteria in their investment objectives or as a specific investment strategy. Funds (or Underlying Funds) that apply ESG criteria in their investment process may forgo opportunities to buy certain securities when it might otherwise be economically advantageous to do so, or may sell securities for ESG reasons when it might otherwise be economically disadvantageous to do so. Furthermore, ESG criteria are subject to uncertainty, discretion and subjective application. The determination of the ESG criteria to apply, and the ESG assessment of a company, industry or underlying fund by portfolio management team may differ from the criteria or assessment applied by a different team. As a result, the companies or Underlying Funds selected by the portfolio management team may not always reflect positive ESG characteristics or the ESG values of any particular investor. In addition, ESG assessments (particularly with respect to climate change) may be in whole or in part based on data that is limited in quantity, unavailable or inconsistent across sectors, and/or that is subject to numerous assumptions, estimates and judgements. This data may be subject to change or prove to be inaccurate or incorrect. ESG data is constantly changing and evolving as standards of disclosures and data, regulatory frameworks and industry practice evolve.

ETF risk

A segregated fund may invest in a fund whose securities are listed for trading on an exchange (an "exchange traded fund" or "ETF"). The investments of ETFs may include stocks, bonds, commodities and other financial instruments. Some ETFs, known as index participation units ("IPUs") attempt to replicate the performance of a widely-quoted market index. Not all ETFs are IPUs. While investment in an ETF generally presents the same risks as investment in a conventional segregated fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional segregated funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their value or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

Also, commissions may apply to the purchase or sale of ETF securities. Therefore, investment in ETF securities may produce a return that is different than the change in the NAV of these securities.

Extreme market disruptions risk

Certain extreme events such as natural disasters, war, civil unrest, terrorist attacks, and public health crises like epidemics, pandemics or outbreaks of new infectious diseases or viruses (including, the novel coronavirus (COVID-19)) can materially and adversely affect a segregated fund's business, financial condition, liquidity or results of operations. Future infectious disease outbreaks could also have similar unforeseen consequences. If an extreme event, such as a pandemic, persists for a prolonged period of time, it may be difficult to predict how a fund may be affected. Public health crises, such as the COVID-19 outbreak, may heighten other pre-existing political, social, and economic risks in certain countries or globally. The funds may invest in certain geographic areas that have experienced acts of terrorism, territorial disputes, historical conflicts, etc., which have resulted in strained international relations. Specifically, as a result of the conflict between Russia and Ukraine, certain countries have implemented economic sanctions against Russia and may impose further restrictive actions against governmental or other entities in Russia or elsewhere. These situations may cause uncertainty and have an adverse impact on the markets and economies on such geographic areas. All such extreme events may impact the segregated fund performance.

Foreign currency risk

The net asset value of a segregated fund is calculated in Canadian dollars. Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by changes in the value of the Canadian dollar relative to those currencies. If the Canadian dollar rises in value relative to the other currency but the value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the Canadian dollar has fallen relative to the other currency, the value of an investment in Canadian dollars will have increased.

Foreign investment risk

The value of an investment in a foreign issuer depends on general global economic factors and specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. There may also be less information available with respect to foreign companies. Further, the legal systems of some foreign countries may not adequately protect investor rights and laws may change without sufficient warning. Stock markets in foreign countries may have lower trading volumes and sharper price corrections. Some or all of these factors could make a foreign investment more volatile than a Canadian investment.

Certain countries might be politically and socially unstable, and religious and regional tensions may exist. Other risks could include nationalization, expropriation, or the imposition of currency controls. In foreign economies, instability, government influence, a lack of publicly available information, and trade tariffs or protectionist measures with trading partners may also lead to market inefficiency, volatility and pricing anomalies. Consequently, due to these risks and others, the value of foreign investments and the value of the funds that hold them may change rapidly and to a greater degree than Canadian investments.

High Yield Securities risk

Funds may be subject to high yield securities risk. High yield securities risk is the risk that securities that are rated below investment grade or are unrated at the time of purchase may be more volatile than higher-rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies or by highly leveraged firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Index risk

When any segregated fund indicates “index” in the fund name it is considered an index fund. The investment decisions for such a segregated fund are based on the segregated fund’s permitted index. As such, the segregated fund may have more of the net assets of the segregated fund invested in one or more issuers than is usually permitted for segregated funds. There is a possibility that this could lead to less diversification within the segregated fund, and in turn less liquidity of the segregated fund. It could also mean that the segregated fund volatility is higher than that of a more diversified segregated fund, while still tracking the volatility of the permitted index.

Interest rate risk

Interest rate risk is the risk of economic loss caused by changes in interest rates. The value of fixed income securities will change inversely with a corresponding change in interest rates: as interest rates decrease, the value of fixed income securities will increase, and as interest rates increase, the value of fixed income securities will decrease. Fixed income securities with longer terms-to-maturity are generally more sensitive to interest rate changes than those of shorter terms-to-maturity. Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company’s profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity.

Large transaction risk

Units of the segregated funds may be held by large investors, including other segregated funds. These investors may purchase or redeem large numbers of units of a segregated fund at one time. The purchase or redemption of a substantial number of units of a segregated fund may require the portfolio manager of the segregated fund to change the composition of the portfolio of the fund significantly or may force the portfolio manager of the fund to buy or sell investments at unfavourable prices, which can affect segregated fund’s performance.

Legislation risk

Securities, tax, or other regulators may make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the market value of a segregated fund.

Liquidity risk

A segregated fund may hold up to 10% of its net assets in illiquid investments. Liquidity refers to the speed and ease with which an investment can be sold and converted into cash at a reasonable price. If an investment cannot be quickly or easily sold, it is considered illiquid. A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur (i) if the securities have sale restrictions; (ii) if the securities do not trade through normal market facilities; or (iii) if there is simply a shortage of buyers; or for other reasons. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell, and a segregated fund or underlying fund may be forced to accept a discounted price.

Some high-yield debt securities, which may include but are not limited to security-types commonly known as high-yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ ask spreads (i.e., significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security). Illiquidity may take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it may be more difficult to establish a fair market value for particular securities, which could result in losses to a fund that has invested in these securities.

Over time, the liquidity of individual securities may change, and securities that were previously liquid may suddenly and unexpectedly become illiquid. Causes of illiquidity may include general economic and political conditions or factors specific to an individual security. General conditions include sudden interest rate changes or severe market disruptions, whereas specific factors could include changes in management, strategic direction, competition, mergers/acquisitions, etc. These impacts may affect the performance of the Funds, the performance of the securities in which the Funds invest and may lead to an increase in the redemptions experienced by the Funds (including redemptions by large investors; see “**Large Transaction Risk**”).

Market risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of a segregated fund’s investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

New fund risk

The performance of a new segregated fund, which we consider as being offered for less than 12 months, may not represent how it is expected to perform in the longer term if and when it accumulates larger assets and/or it has fully implemented its investment strategies. The investment positions of a new segregated fund may have a disproportionate impact, either positive or negative, on its performance. New segregated funds may also require a period of time before they are fully invested in a representative portfolio that meets their investment objectives and strategies. A new segregated fund’s performance may be more volatile during this “ramp-up” period than it would be after it is fully invested; similarly, the investment strategies of a new segregated fund may require a longer period of time to attain representative returns. New segregated funds have limited performance histories for investors to evaluate and they may not attract sufficient assets to achieve investment and trading efficiencies. If a new segregated fund failed to successfully implement its investment objective or strategies, performance may be negatively impacted, and any resulting redemptions could create larger transaction costs for the segregated fund and/or tax consequences for investors.

Portfolio manager risk

A segregated fund is dependent on its portfolio manager to select its investments. A balanced fund or an asset allocation fund is also dependent on its portfolio manager to decide what proportion of the segregated fund’s assets to invest in each asset class. Segregated funds are subject to the risk that poor security selection or asset allocation decisions will cause a segregated fund to underperform relative to its benchmark or other funds with similar investment objectives.

Real estate risk

The Real Estate Fund is the only segregated fund, which invests directly in real estate. Asset allocation funds invest in the Real Estate Fund . The Real Estate Fund and segregated funds that invest in the Real Estate Fund could experience a delay when a redemption request is made due to the relative illiquidity of its real estate holdings. It is expected that the Real Estate Fund will maintain sufficient cash to cover normal redemption requests in a timely manner so that no such delays are experienced.

Real estate by nature is not a liquid asset. There is no formal market for trading in real property and very few records are available to the public, which give terms and conditions of real property transactions. It may take time to sell real estate investments at a reasonable price. This could limit the fund's ability to respond quickly to changes in economic or investment conditions. It could also affect the fund's ability to pay Policyowners who want to redeem their units. The fund will keep enough cash on hand to be able to pay for the normal amount of redemption requests in a timely manner. However, redemptions may be suspended during any period that the segregated fund does not have sufficient cash or readily marketable securities to meet requests for redemptions. For more information, see *When the redemption of your units may be delayed.*

The unit value of the Real Estate Fund will vary with changes in the real estate market and in the appraised values of the properties the fund holds. The value of real estate investments can vary with competition, how attractive the property is to tenants and the level of maintenance. The timing of the annual appraisal may also affect the value of the fund units.

The Real Estate Fund should be considered as a long-term investment and is not suitable for investors who may need to quickly convert their holdings to cash.

In the event the Real Estate Fund is dissolved, Policyowners may receive less than the unit value because the unit value is based on appraisals, which may be greater than the amounts received upon the sale of properties pursuant to a liquidation.

Securities lending, repurchase and reverse repurchase transaction risk

In securities lending transactions, the segregated fund lends its portfolio securities to another party (often called counterparty) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the segregated fund sells its portfolio securities for cash while at the same time it assumes an obligation to repurchase the same securities for cash, usually at a lower cost, at a later date. In a reverse repurchase transaction, the segregated fund buys securities for cash while agreeing to resell the same securities for cash, usually at a higher price, at a later date.

Below are some of the general risks associated with entering into securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending repurchase and reverse repurchase transactions, the segregated fund is subject to the credit risk that the counterparty may default under the agreement and the segregated fund would be forced to make a claim in order to recover the investment.
- When recovering its investment on a default, the segregated fund could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the segregated fund.
- Similarly, a segregated fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the segregated fund to the counterparty.

Senior loans risk

The risks associated with senior loans are similar to the risks of high yield bonds, although senior loans are typically senior and secured, whereas high yield bonds are often subordinated and unsecured. Investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers. Historically, such companies have been more likely to default on their payments of interest and principal owed than companies that issue investment grade securities, and such defaults could reduce the net asset value of the Funds. These risks may be more pronounced in the event of an economic downturn. Under certain market conditions, the demand for senior loans may be reduced, which may, in turn, reduce prices. No active trading market may exist for certain senior loans, which may impair the ability of a holder of a senior loan to realize full value in the event of the need to liquidate such asset. Adverse market conditions may impair the liquidity of some actively traded senior loans. Although these loans are generally secured by specific collateral, there can be no assurance that such collateral would be available or would otherwise satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In these circumstances, the holder of a loan may not receive payments to which it is entitled. Senior loans may also be subject to certain risks due to longer settlement periods than the settlement periods associated with other securities. Unlike equities trades, there is no central clearinghouse for loans, and the loan market has not established enforceable settlement standards or remedies for failure to settle. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which an investment fund holding the senior loan as an investment must settle redemption requests from its investors.

Short selling risk

Certain funds may engage in a disciplined amount of short selling. A short sale is when a fund borrows securities from a lender and then sells the borrowed securities in the open market. At a later date, the segregated fund repurchases the securities in order to return them to the lender. In the interim, the segregated fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan. Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- A segregated fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require a segregated fund to return borrowed securities at any time. This may require the segregated fund to purchase such securities on the open market at an inopportune time.
- The lender from whom a segregated fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the segregated fund may lose the collateral it has deposited with the lender and/or the prime broker.

Where a fund engages in short selling it adheres to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The fund also deposits collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Although segregated funds may not themselves engage in short selling, they may be exposed to short selling risk because the underlying funds in which they invest may be engaged in short selling.

Small fund risk

The performance of a segregated fund with relatively small assets, which we consider typically as below $20 million, may not represent how it is expected to perform in the longer term if and when it accumulates larger assets. The investment positions of a smaller segregated fund may have a disproportionate impact, either positive or negative, on its performance. Smaller segregated funds may also require a period of time before they are fully invested in a representative portfolio that meets their investment objectives and strategies. A smaller segregated fund's performance may be more volatile during this "ramp- up" period than it would be after it is fully invested; similarly, the investment strategies of a smaller segregated fund may require a longer period of time to attain representative returns. If a smaller segregated fund failed to successfully implement its investment objective or strategies, performance may be negatively impacted, and any resulting redemptions could create larger transaction costs for the segregated fund and/or tax consequences for investors.

Smaller company risk

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Securities of smaller companies are usually traded less frequently and in smaller volumes than those of large companies. Smaller companies may have limited financial resources, and a less established market for their securities. Segregated funds that invest a significant portion of their assets in small companies are subject to smaller company risk and may find it more difficult to buy and sell securities and tend to be more volatile than segregated funds that focus on larger capitalization companies.

Sovereign risk

Sovereign risk is the risk that a foreign nation will either fail to meet debt repayments nor honour sovereign debt payments. This may be more prevalent in foreign markets that experience great political, social or economic instability. It also includes the risk that a foreign central bank will alter its foreign exchange regulations, significantly reducing or completely nullifying the value of its foreign exchange contracts.

Specialization risk

If a segregated fund invests only in specific countries, or in particular types of securities, or in specific markets, the fund's ability to diversify its investments may be limited. This limited diversification may mean that the segregated fund can't avoid poor market conditions, causing the value of its investments to fall.

Underlying fund risk

Certain segregated funds may invest substantially all of their assets in one or more underlying fund(s). The performance of a segregated fund that invests in an underlying fund may differ from the performance of the fund(s) in which it invests in. The fees and expenses of the segregated fund may differ from the fees and expenses of the fund(s) in which it invests.

Fund Facts

Fund Facts provides detailed information for each segregated fund under the contract and are available to you in the *Fund Facts* booklet which is provided with this information folder. You can choose to invest in one or more of these funds.

The individual *Fund Facts* give you an idea of what each segregated fund invests in, how it has performed and what fees or charges may apply.

The description of each segregated fund in the individual *Fund Facts* is not complete without the following description of *What if I change my mind?* and *For more information*.

What if I change my mind?

You can change your mind and cancel the segregated fund policy, the initial pre-authorized chequing premium or any lump-sum premium you apply to the policy by telling us in writing within two business days of the earlier of the date you received confirmation of the transaction or five business days after it was mailed to you.

Your cancellation request has to be in writing, which can include email or letter. The amount returned will be the lesser of the amount of the premium being cancelled or the market value of the applicable units acquired on the day we process your request. The amount returned only applies to the specific transaction and will include a refund of any sales charges or other fees you paid.

For more information

The *Fund Facts* may not contain all the information you need. Please read the contract and the information folder or you may contact us at:

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