

PARTICIPATING LIFE INSURANCE AS AN INVESTMENT

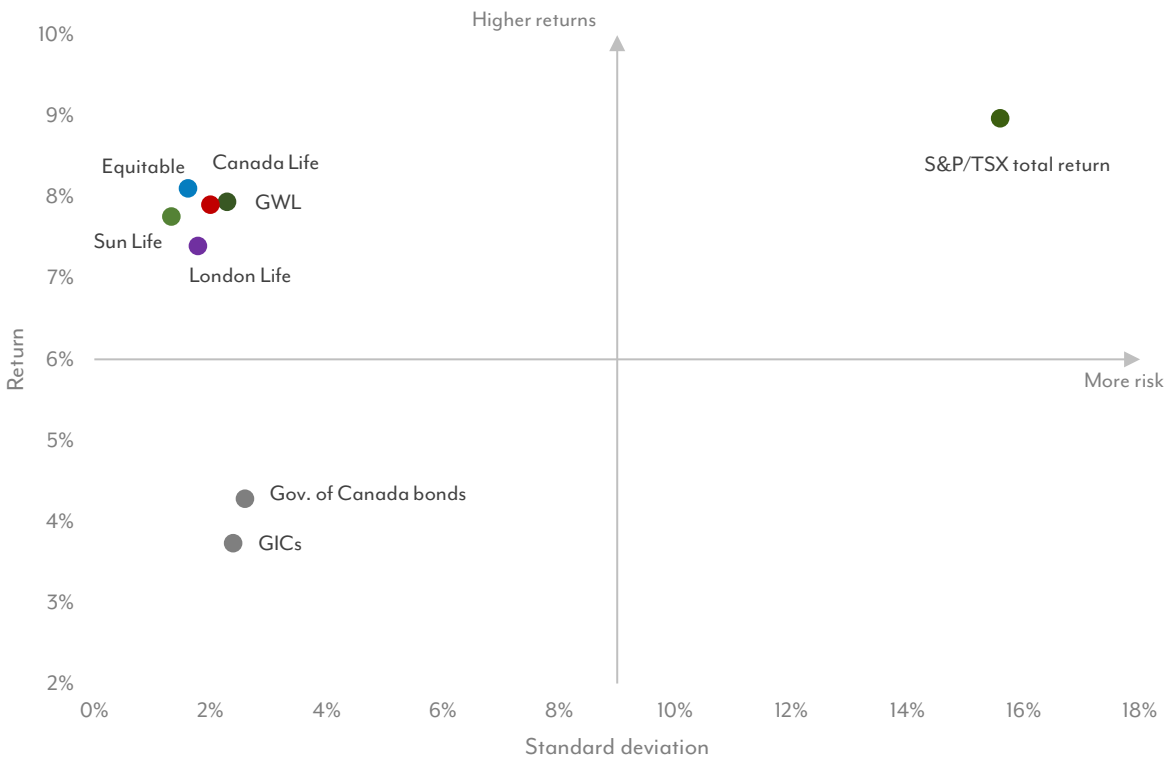
Historical Performance

Participating life insurance is an excellent estate planning tool. But it also has significant benefits as a pure investment because participating life insurance:

- ✓ Historically produces high returns with a low risk profile
- ✓ Diversifies the risks of other assets in a portfolio, so an investor can reduce total risk or be more aggressive in other investment assets

Participating life insurance dividends have historically produced high returns with a low risk profile

Annual return and standard deviation, 1990 to 2023



Note: Dividend scale interest rate for: Canada Life, London Life, Great-West Life, Equitable Life and Sun Life. S&P/TSX composite total return index, 5-year GICs and Government of Canada 5- to 10-year bonds.

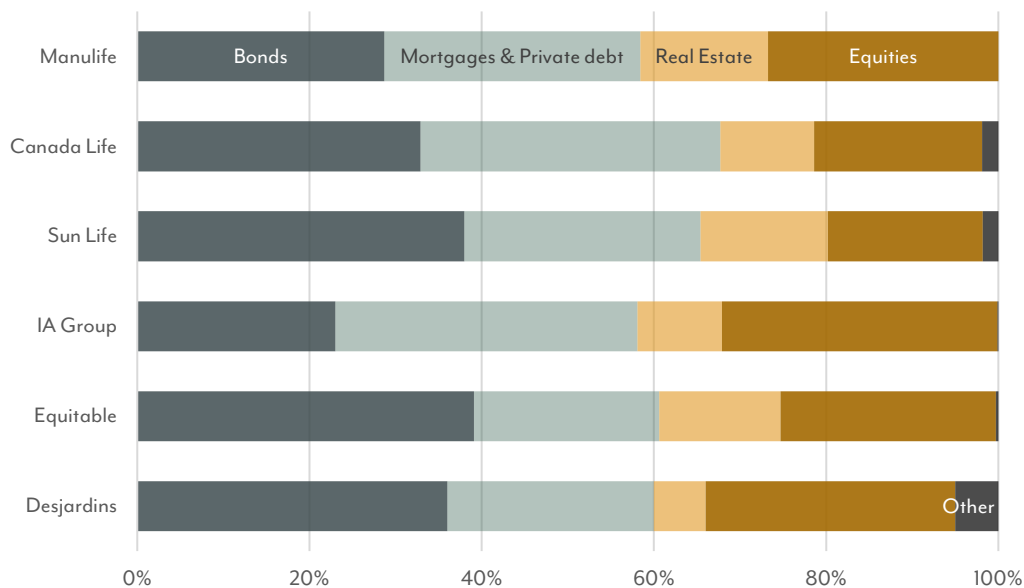
Participating Account Investment Asset Mix

Dividends are generated primarily from the invested funds of the account. Expense and mortality improvements can generate dividend growth, albeit to a lesser extent.

Each of the largest participating insurance accounts invest funds in similar ways, focused primarily in fixed income (bonds and mortgages). Investments in real estate and equity (both public and private) are used to enhance returns and diversify.

Participating Account Asset Mix

% of total assets



Notes: Based on the latest participating account balance sheet information from each insurer.
 'Other' investments by Canada Life are mainly interest-earning policy loans to participating policyholders.