

Participating



Insurance

You deserve more.

You deserve Canada Life™





You buy life insurance so  
the people and things you  
care about are protected  
when you're gone.

You buy Canada Life™  
participating life insurance  
because you deserve more.

Canada Life is a Canadian leader for participating life insurance. For more than a century, we've helped Canadians, generation after generation, leave their very own legacy.

**Past.**

We've never left your side – we've continually offered participating life insurance since 1848.

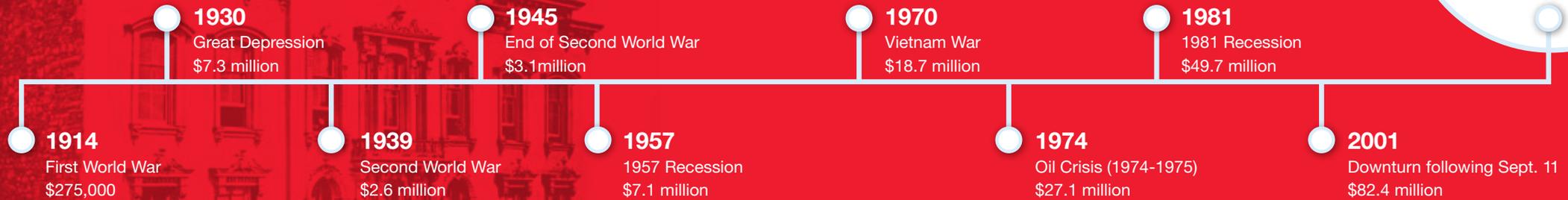
**Present.**

Our experience coupled with our strength and stability support our participating account and investment decisions.

**Future.**

We believe in participating life insurance – we're committed to the product and our clients.

# Our past



Numbers shown reflect the then current dollar amount of dividends distributed to policyowners as reported in company annual reports for the associated year. Numbers may be rounded. Amounts reported before 2001 may include policyowner dividends distributed for policies issued outside of Canada.

## A history of distributing dividends

The strength, stability and security of our participating life insurance means we've distributed policyowner dividends during every economic downturn and turbulent historical event for more than a century. That includes the 2008 global financial crisis.



In 2017,  
total participating policyowner  
dividends, including the Canada Life  
closed block were

**\$211 million**

Canada Life had  
**302,000**  
participating life insurance policies  
in force as of Dec. 31, 2017  
(includes former New York Life  
and Crown Life policies).

In 2017,  
participating policyowner  
insurance payouts (also called  
death claims) totalled  
**\$118 million**

# Our present

## Why you can be confident in Canada Life

Canada Life is one of the strongest insurance companies in North America – and is a leader for participating life insurance in Canada.

With one of the largest participating accounts in Canada, as measured by assets, Canada Life's total participating account assets, including surplus, were \$5.9 billion at Dec. 31, 2017.

A larger account:

- ✓ Strengthens our risk diversification
- ✓ Increases economies of scale
- ✓ Gives us access to larger investments

Today our participating account assets stand strong at **\$5.9 billion<sup>1</sup>**

### Asset mix – conservative with a long-term focus

The company's asset and liability management group monitors the overall asset mix. It guides investment activity within the parameters of the investment policy, approved by the board of directors. The managers of the specific asset classes – such as bonds, mortgages and equities, including real estate – manage the buying and selling of actual assets in the portfolio, within specified parameters.

When choosing investments, our team of experienced investment managers breakdown our portfolio according to these guidelines.

Cash and equivalents	0-5%
Bonds and private placements	40-75%
Mortgages	15-40%
Real estate	0-15%
Common stock	5-20%
Preferred stock	0-5%

 **Cash and equivalents 6.8%**

## An experienced and successful investment team

With more than 170 years in the participating life insurance market, Canada Life has built knowledgeable teams and winning investment strategies that provide the strength and stability to back our participating account.

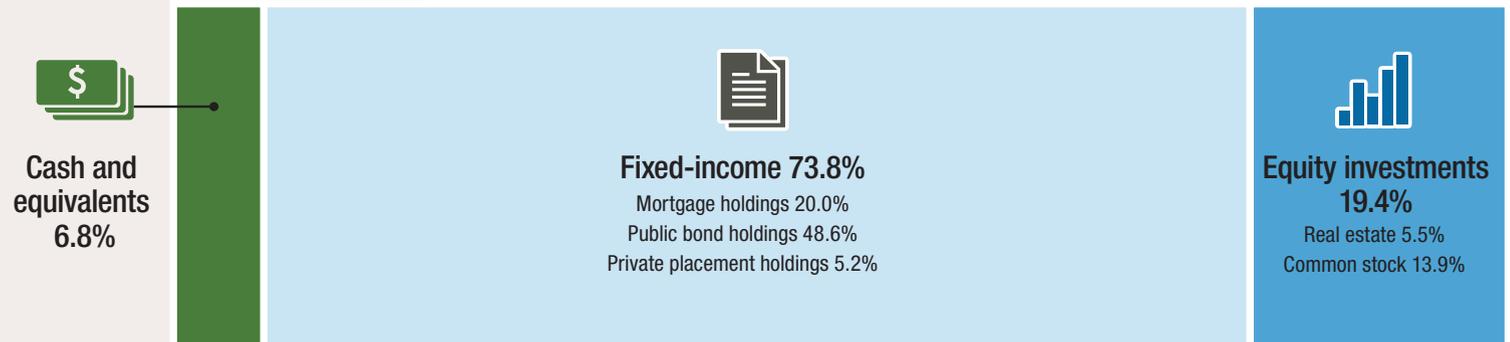
To manage the participating account assets, we draw upon a team of nearly **500 people**, including **experienced investment managers**, with a proven history of steady, consistent returns. As a Canada Life participating policyowner you benefit from our economies of scale, with **an asset management expense of 0.068%**, compared to some types of investments which can have higher expenses.

Canada Life believes in an active, long-term asset management style and does its own underwriting and due diligence of investment opportunities.

- We manage for **stability** – we prioritize high-quality assets
- We manage from a position of **strength** – we have a diversified portfolio
- We manage with in-house **expertise** – we have professional managers leading all asset classes

### Meet Brian Allison, Executive Vice President and Chief Investment Officer

As executive vice-president and chief investment officer, Brian Allison is responsible for the overall management of invested assets and investment operations for Great-West Life, London Life and Canada Life™. These responsibilities include investment management subsidiaries GWL Realty Advisors Inc. and GLC Asset Management Group Ltd.



<sup>1</sup> Sources: Canada Life participating life insurance financial facts, canadalife.com.

# Conservative means quality and stability

When it comes to investing, Canada Life is conservative, and with conservatism comes quality and stability. Canada Life focuses on retaining high-quality assets. While it's true that higher risk assets generally have higher returns (to compensate for the additional risk), we believe it's important to hold high-quality assets in the participating account because:

- ✓ **Participating life insurance is a long-term product**  
We take a careful approach to our investing, which allows us to honour our commitments to policyowners.
- ✓ **We constantly monitor the markets**  
We only buy assets if they provide an attractive return based on the risk we take on.

## Spotlight

Private placements are bond investments made through private agreements with borrowers. They are grouped into three main categories:

- Lease finance
- Mid-market and other corporate credit
- Infrastructure

These investments potentially provide higher returns than other types of fixed-income investments. All private placements:

- Go through a disciplined credit process
- Are thoroughly researched, underwritten and actively managed by an investment management team specializing in private placements

## Private placements



### C2C Power

Wind farm development company,  
14.5 year term/amortization

Attractive yield spread for  
BBB-rated credit

## Mortgage



### CF Fairview Mall Toronto

CF Fairview mall is the dominant enclosed regional shopping centre with 180 tenants

## Real estate



### 555 Robson, Vancouver

Centrally located in downtown Vancouver

Fully renovated,  
100% leased properties with  
10 years of lease term



Fixed-income



Equity investments

## The ratings speak for themselves

But don't just take our word for it. Our standing with financial rating agencies across North America remains stable. The same was true during the 2008 financial crisis. This reputation is due to our conservative risk profile and stable earnings track record.

### Rating agency

**A+** A.M. Best Company

**Aa3** Moody's Investors Service

**AA** DBRS Limited

**AA** Fitch Ratings

**AA** Standard & Poor's Rating Service

Highest ratings for rating agencies:

A.M. Best Company: A++, A+ both considered superior ratings, Fitch Ratings: AAA, Moody's: Aaa, Standard & Poor's: AAA, DBRS Limited: AAA.  
Source: A.M. Best Company, Fitch Ratings, Moody's Investors Service, Standard & Poor's Rating, DBRS Limited Rating, as of March 2018.

Ratings are subject to change without notice. For current Canada Life ratings and financial strength, see the *About us* section on [canadalife.com](http://canadalife.com).

# Our future

## We'll be there for you

When you buy participating life insurance, it's about coverage for the long-term.

We take this commitment seriously and that's why we have a long-term focus to ensure continued success in the future.

### **Teams and strategies with you in mind**

When you buy a participating life insurance policy from Canada Life, you get more than just life insurance protection.

As a Canada Life client, you're connected to the most comprehensive support network in Canada. This team includes insurance specialists, accountants and tax experts who can work together with your trusted financial professionals to tailor the right solution for you.

Your relationship with us doesn't begin and end with your purchase. Your advisor is there to help you develop a financial plan that serves you today, and for the rest of your life.

It's why you can be confident with your decision to buy not only participating life insurance, but Canada Life participating life insurance.

**You deserve more from your insurance company.**

**You deserve Canada Life.**

Throughout this document numbers may have been rounded.  
Performance data is provided for illustrative purposes only and represents past performance, which is not necessarily indicative of future performance.  
Information provided is current as of August 2018.

In Quebec, advisor refers to a financial security advisor for individual insurance and segregated funds policies and to a group insurance and/or group annuity plans advisor for group products.



Helping people achieve more™