



















Why dividends matter



Your dividend and income fund solution

			 Canada	 U.S.	 Global
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Fund	Income* (Portico)	Monthly Income (London Capital)	Dividend (GWLIM)	U.S. Dividend (GWLIM)	Global Dividend (Setanta)
Asset Mix	64% fixed income 34% Canadian equities 2% cash	42% fixed income 33% Canadian equities 25% foreign equities	87% Canadian equities 7% U.S. equities 6% cash	95% U.S. equities 5% cash	31% U.S. equities 2% Canadian equities 62% foreign equities 5% cash
Number of holdings	30 equity 97 fixed income	8 underlying funds	75	63	35
% of top 10 holdings	64%		36%	39%	37%
Portfolio yield	2.6%	3.2%			
Dividend Yield			3.3%	2.8%	3.9%
MER (75/75 Series)	2.23%	2.54%	2.60%	2.78%	2.82%
MER (75/100 Series)	2.28%	2.64%	2.71%	2.95%	2.99%
MER (100/100 Series)	2.33%	2.83%	3.07%	3.23%	3.25%
Key holding		<ul style="list-style-type: none"> ✓ Canadian Dividend ✓ Corporate Bond ✓ Core Bond 			

* The equity component is managed by Laketon and the fixed income component is managed by Portico.

Source: Morningstar Direct, Setanta and GLC Asset Management as of May 31, 2015. MER are not available for funds that were launched in the past 12 months.

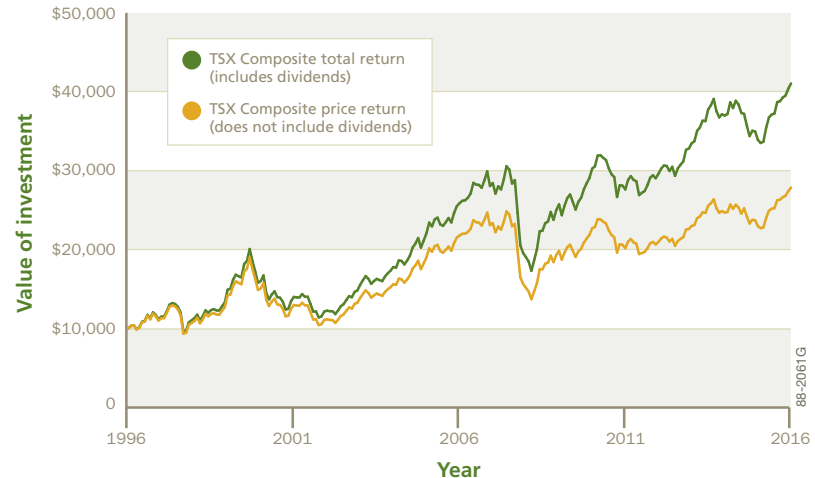
Source: Morningstar Direct, Setanta and GLC Asset Management, as of Dec. 30, 2016.

Benefit from the power of dividends

To harness the income and growth potential of dividends, Great-West Life offers a suite of dividend and income products to access quality companies across all sectors and countries, emphasizing solid long-term risk-adjusted returns.

While prices of stocks can fluctuate widely based on changing economic circumstances, dividends represent a stable source of income. These returns can be received in cash or reinvested into additional shares – the compounding effect of reinvestment over time can be very powerful.

Dividends account for a significant proportion of total equity returns over the long term:



Source: Morningstar Direct, as of Dec. 31, 2016.
Past performance is not indicative of future performance and dividends are not guaranteed.

Dividends work

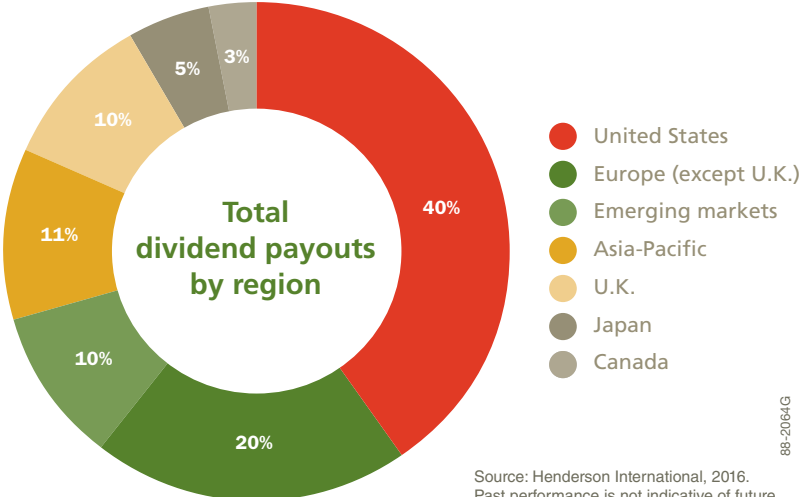
Dividends are one of the simplest ways for a company to demonstrate its strength and stability. Historically, companies with a history of paying – and increasing – their annual dividends have outperformed the market. Moreover, studies in the *Financial Analyst Journal* (such as Arnott and Asness, 2003 and Zhou and Ruland, 2006) show that companies with a focus on dividends can achieve higher earnings growth, which implies higher valuations and price returns for investors.

The dividend fund advantage

Diversification

By having a suite of dividend funds, investors can tap into the \$1 trillion in dividends paid globally each year. Investors benefit from expanded choice and diversification across different industries and countries.

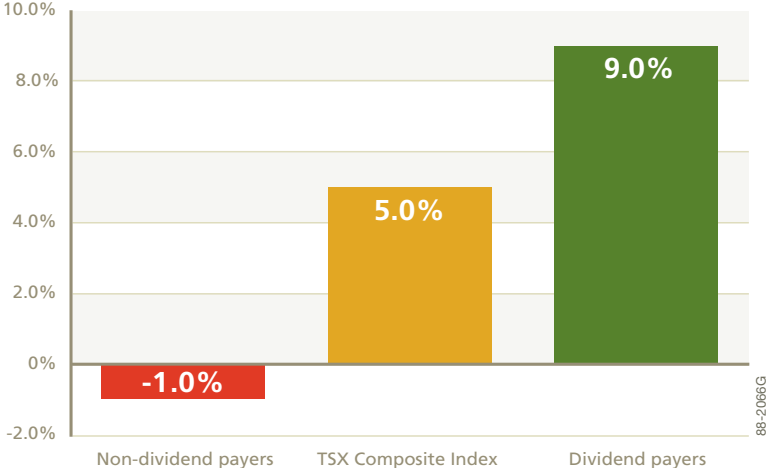
Total dividend payouts by region and country:



Source: Henderson International, 2016. Past performance is not indicative of future performance and dividends are not guaranteed.

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Compounded total annual returns



Source: RBC Capital Markets Quantitative Research; data is calculated on an equal weight basis, S&P/TSX Composite Total Return Index, from December 1986 to December 2015. Performance data is provided for illustrative purposes only and represents past performance, which is not necessarily indicative of future performance.

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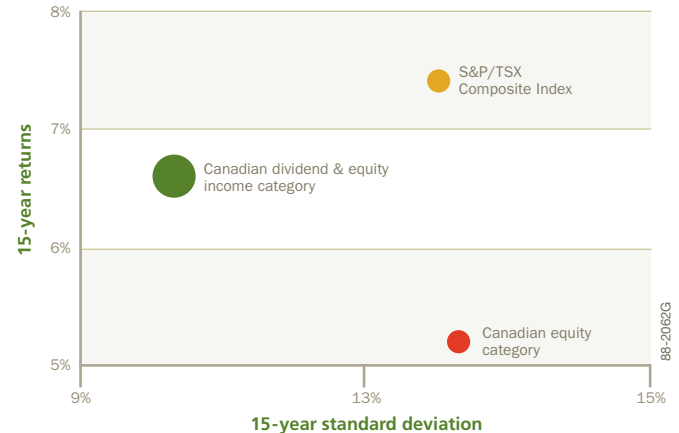
Dividend funds are less volatile than the market

Dividend and income equity funds have had greater returns with less volatility than the market over the long term.

Fund pairing ideas

A diversified portfolio helps to capture opportunities and manage overall risk. There will be times when part of a portfolio is performing well while other parts lag. Creating a mix of dividend and income funds may enhance diversification, allowing for an improvement in the overall risk/return characteristics of client portfolios.

Dividends less volatile than the market



Note: The Canadian dividend and equity income category is a Morningstar Category average of all series that have an underlying dividend fund mandate. Returns and standard deviation will differ depending on the series chosen, due fees and guarantee level available. Performance data is provided for illustrative purposes only and represents past performance, which is not necessarily indicative of future performance. *Source: Morningstar Direct as of Dec. 31, 2016. All returns are total returns, which includes the reinvestment of dividends in the price return.

Moderate	Balanced	Advanced
30% Core Bond (Portico) 20% Corporate Bond (Portico) 15% Income (Portico) 15% Dividend (GWLIM) 10% U.S. Dividend (GWLIM) 10% Global Dividend (Setanta)	20% Core Bond (Portico) 15% Corporate Bond (Portico) 10% Monthly Income (London Capital) 20% Dividend (GWLIM) 20% U.S. Dividend (GWLIM) 15% Global Dividend (Setanta)	10% Corporate Bond (Portico) 20% Monthly Income (London Capital) 20% Dividend (GWLIM) 25% U.S. Dividend (GWLIM) 25% Global Dividend (Setanta)
Asset mix: 	Asset mix: 	Asset mix:
● 60% Fixed income ● 40% Equities	● 40% Fixed income ● 60% Equities	● 20% Fixed income ● 80% Equities



What to do next:

- **Review** fund choices to assess the level of value being provided over the long term
- **Consider** incorporating the use of dividend stocks as a way to potentially enhance portfolio risk-adjusted returns and improve overall diversification to provide growing and sustainable income
- **Implement** an appropriate strategic mix and capitalize on the benefit of holding dividend and income funds within the overall portfolio

A description of the key features of the segregated funds policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

This fund is available through a segregated funds policy issued by Great-West.

