



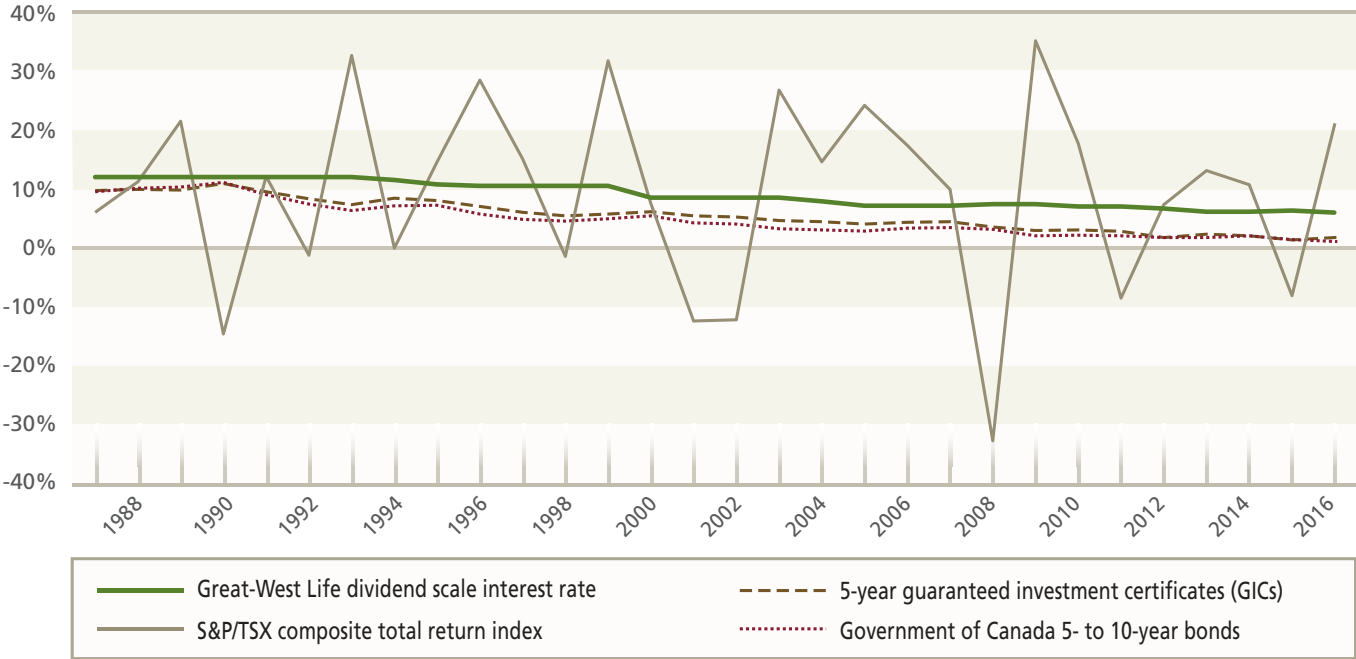
Looking back at historical returns



Great-West Life participating life insurance

Since 1899, Great-West Life has distributed participating policyowner dividends every year. The Great-West Life participating account has been strong and stable. The dividend scale interest rate is used to calculate the investment component of policyowner dividends. However, the dividend scale interest rate is only one element that goes into determining the actual dividends that may be credited to a participating life insurance policy.

Returns (at Dec. 31, 2016)



88-1752G-A

Performance data is provided for illustrative purposes only and represents past performance, which isn't necessarily indicative of future performance.

1990

Recession – The introduction of the goods and services tax (GST) and the First Gulf War led to a sharp drop in spending in the winter of 1991.

The long-term investment strategy

for the participating account and the smoothing of returns have had stabilizing effects on the Great-West Life dividend scale interest rate – one of many elements that contribute to your individual policy's performance.

2000

Dot-com bubble pops.

2001

9/11 – This event reduced consumer and investor confidence. The uncertain economic climate and large-scale layoffs reduced consumer demand for goods and services. The Bank of Canada continued to lower interest rates into early 2002 to help restore consumer and investor confidence.

2008 - 2009

Recession.

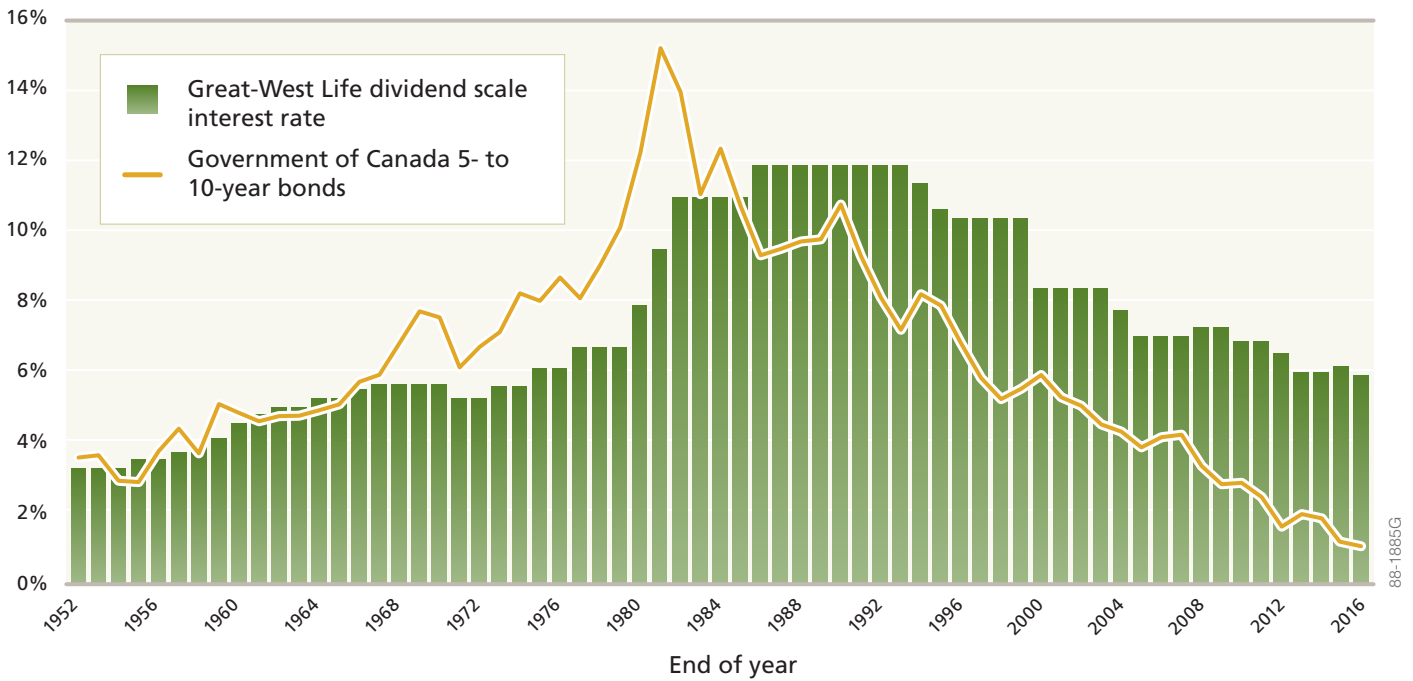
Year	Great-West Life dividend scale interest rate (%)	Great-West Life participating account return (%)	S&P/TSX composite total return index (%)	5-year GIC return (%)	Government of Canada 5- to 10-year bond return (%)	Consumer Price Index (%)
1987	11.9	11.3	5.9	9.4	9.6	4.2
1988	11.9	10.6	11.1	10.0	9.8	3.9
1989	11.9	10.8	21.4	10.2	9.8	5.3
1990	11.9	10.6	-14.8	11.0	10.8	5.0
1991	11.9	10.9	12.0	8.9	9.4	3.8
1992	11.9	10.0	-1.4	7.3	8.2	2.2
1993	11.9	9.7	32.6	6.2	7.2	1.7
1994	11.4	9.1	-0.2	7.3	8.3	0.2
1995	10.7	9.0	14.5	7.1	7.9	1.7
1996	10.4	8.9	28.4	5.6	6.9	2.2
1997	10.4	8.4	15.0	4.7	5.9	0.8
1998	10.4	8.5	-1.6	4.4	5.3	1.0
1999	10.4	8.2	31.7	4.8	5.6	2.6
2000	8.4	8.0	7.4	5.3	6.0	3.2
2001	8.4	7.6	-12.6	4.1	5.3	0.7
2002	8.4	6.8	-12.4	3.9	5.1	3.8
2003	8.4	6.6	26.7	3.1	4.5	2.1
2004	7.8	6.4	14.5	2.9	4.3	2.1
2005	7.0	6.5	24.1	2.7	3.9	2.1
2006	7.0	6.2	17.3	3.2	4.2	1.7
2007	7.0	5.9*	9.8	3.3	4.3	2.4
2008	7.3	0.1	-33.0	3.0	3.4	1.2
2009	7.3	8.4	35.1	1.9	2.8	1.3
2010	6.9	6.8	17.6	2.0	2.9	2.4
2011	6.9	4.0	-8.7	1.9	2.5	2.3
2012	6.5	5.6	7.2	1.6	1.6	0.8
2013	6.0	6.9	13.0	1.6	2.0	1.2
2014	6.0	5.5	10.6	1.9	1.9	1.5
2015	6.2	3.2	-8.3	1.5	1.2	1.6
2016	5.9	6.4	21.1	1.4	1.0	1.5

Past results aren't indicative of future performance. Please see important chart notes at the end of this document.



Stable track record

Great-West Life participating account dividend scale interest rate since 1952



The stability of the dividend scale interest rate

While it's important to consider annual dividend scale interest rate performance, life insurance is a long-term product. Because of this, the historical average return provides other perspectives for you to consider. The dividend scale interest rate is an element used to determine the amount of participating policyowner dividends that come from the participating account's investments. Smoothing is one of the methods used to help maintain stability by bringing investment gains and losses into the dividend scale interest rate over a period of time.

The participating account is currently managed as a fixed-income account with a target 20 per cent of its assets backing participating account liabilities invested in common stock and real estate. While these assets are subject to market volatility, smoothing helps to reduce the impact of short-term volatility on the investment component of participating policyowner dividends.

ACCOUNTABILITY | STRENGTH | PERFORMANCE

IMPORTANT NOTES

- Participating policyowner dividends aren't guaranteed.
- The dividend scale interest rate is the interest rate used in determining the investment component of the dividend scale. It's only one factor that contributes to an individual policy's performance.
- For the 2017 dividend scale, Great-West Life will use the smoothed investment experience for the period July 1, 2015 to Dec. 31, 2016.
- The dividend scale interest rates shown, which are used to calculate the average annual return for 30 years or less, apply to policies issued on or after Sept. 16, 1968. These rates have a variable policy loan rate provision, whereas policies issued before this date have a fixed policy loan rate provision and may have a different dividend scale interest rate.
- The 60-year average annual rate is a blended average of the dividend scale interest rate that applies to policies with a variable policy loan rate provision (1969-2016) and the dividend scale interest rate that applies to policies that have a fixed policy loan rate provision (1957-1968).
- The participating account return is the return on the participating account assets backing liabilities and surplus after investment expenses are deducted. In 2016, investment expenses were 5.8 basis points. Investment expenses may vary from year to year due to changes in the asset mix of the total participating account, economies of scale and other factors. The participating account return is reported on a calendar year basis Jan. 1 to Dec. 31. The participating account return is a short-term indicator of investment performance, with the exception of unrealized gains and losses on bonds, which are excluded because bonds in the participating account are generally held until maturity. Common stock returns are valued on a marked-to-market basis (i.e., not smoothed) and realized gains and losses on bonds are recognized as incurred. The participating account return is reported in accordance with:
 - From 2007 to 2010, The Canadian Institute of Chartered Accountants (CICA) handbook
 - For and beyond, the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), effective Jan. 1, 2011
- The participating account return and the dividend scale interest rate can't be directly tied to the cash value growth in a particular policy. The actual cash value growth in any policy varies based on a number of factors, such as type of product, product features, premium-paying period, issue age, rating, dividend option, the dividend scale and others.
- S&P/TSX composite total return index includes the reinvestment of dividends. TSX © Copyright 2017 TSX Inc. All rights reserved.
- Five-year guaranteed investment certificate (GIC) returns are based on the nominal yields to maturity taken from Statistics Canada, CANSIM table 176-0043, series V122526 (Statistics Canada website), Jan. 26, 2017. For each calendar year, the average of the monthly GIC rates was used.
- Government of Canada five- to 10-year bond returns are taken from Statistics Canada, CANSIM table 176-0043, series V122486 (Statistics Canada website), Jan. 26, 2017. For each calendar year, the average of the monthly values was used.
- Consumer Price Indexes are based on the change from December to December taken from Statistics Canada, CANSIM table 326-0020, series V41690973 (Statistics Canada website), Feb. 23, 2017.

This information isn't complete without *Great-West Life participating life insurance financial facts*. For more information about the Great-West Life participating account, see quarterly participating life insurance reports in the Participating life insurance section on greatwestlife.com.

This information is intended for information purposes only; it's accurate to the best of our knowledge as of April 19, 2017.

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