



Conservative, purposeful, market leader

The importance of our investment asset mix

When talking about universal life insurance, would someone consider two different investment mixes and expect the same results?

Chances are they wouldn't – so why would they with participating life insurance?

Don't compare apples to oranges. Different risk appetites require various investment mixes.



This combination helps make us a leader in the participating life insurance marketplace.

Careful, considered approach

We carefully consider and assess our investment strategy and emphasize a higher fixed-income component in our participating account. A higher fixed-income component means our participating account is exposed to less risk.

Conversely, an investment mix with a higher equity component (common stock and real estate) carries more risks because:

- > It's more sensitive to the market and has greater volatility.
- > Real estate has a higher liquidity risk that can't be overlooked. Real estate may be a potential hedge against low interest rates and inflation, but if it needs to be sold quickly when markets are down, getting back what was originally invested may not be possible.

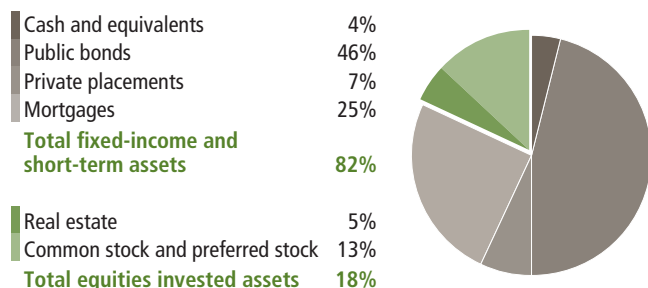
Private placements can offer a higher yield than other fixed-income investments, but with additional risk. A larger portion of assets invested in any one arrangement could lead to greater volatility in returns. We purposefully limit our exposure by sticking to strict lending limits and look instead to remain diversified within our private placements. This can lead to greater stability and helps reduce risk.

It's for reasons like these that many look to Great-West Life's participating life insurance. The participating account offers diversification and stability, while limiting exposure to market volatility often encountered with equities and higher-risk investments. Our conservative approach has and continues to serve us well.

Here are two examples of participating account mixes in the Canadian marketplace:

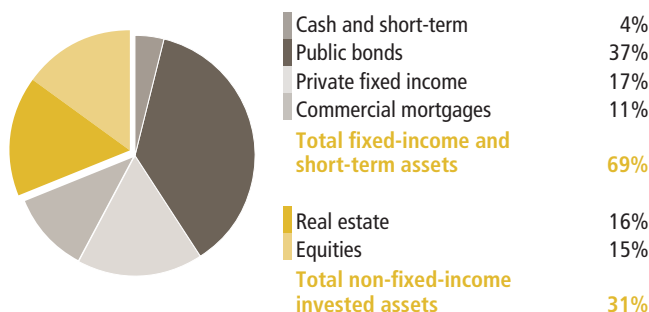
Great-West Life participating account composition – invested assets

At Dec. 31, 2016



Sun Life participating account composition – invested assets (open and closed blocks)

At Dec. 31, 2016



Numbers may not add up to 100 due to rounding. The information provided is accurate to the best of our knowledge, based on information publicly available as of April 19, 2017. The comparison is open to change subject to receipt of further information.

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The investment mix in the participating account may be suitable when the goal is to reduce risk. However, if there's a desire to take on more risk and volatility for a possible higher return, other permanent life insurance options with an investment component weighted higher in equities may also be considered.

Ultimately, when there's a need for insurance, the overall financial security plan must be considered. With Great-West Life participating life insurance, the lower equity investment component helps to lower the volatility of the policyowner dividends.

Conservative, purposeful, historically stable and well diversified

These aren't just adjectives, they're the reasons we're a leader in the Canadian marketplace when it comes to participating life insurance.

For more information on Great-West Life's performance, see the current *Great-West Life participating life insurance financial facts*.

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

