

The EquiBuild Fund

Strong investment management
combined with stable returns



EquiBuild Fund, the cornerstone of the product

Prudent management

A long-term investment horizon with an asset allocation strategy that provides enhanced long-term yield potential.

Solidity

Management expertise from a company with more than 125 years of experience and more than \$100 billion in assets under management.

Access to returns

All EquiBuild policyholders benefit from the returns of the EquiBuild Fund through the EquiBuild Bonus. Clients can also pay excess premium into the EquiBuild Account, for which the EquiBuild Fund is the underlying fund.

Stability

The declared EquiBuild fund rate is set in December of each year and is guaranteed for the following calendar year. The application of a smoothing formula stabilizes the declared rate from year to year.

Investment opportunities

Exposure to a range of asset classes, including various types of fixed-income securities, equities and real estate, which maximizes diversification.

How does the EquiBuild Fund increase EquiBuild policy values?

Each year, all policyholders receive a bonus if the EquiBuild Fund declared rate in effect on the policy anniversary exceeds 3.5%.

The bonus percentage is the portion of the EquiBuild Fund declared rate that exceeds 3.5%. The bonus is calculated yearly and equals the bonus percentage multiplied by the average guaranteed cash surrender value for the prior year. The bonus can be used to purchase additional life insurance or can simply be invested in one of the investment accounts chosen by the client.



Objectives of the Fund

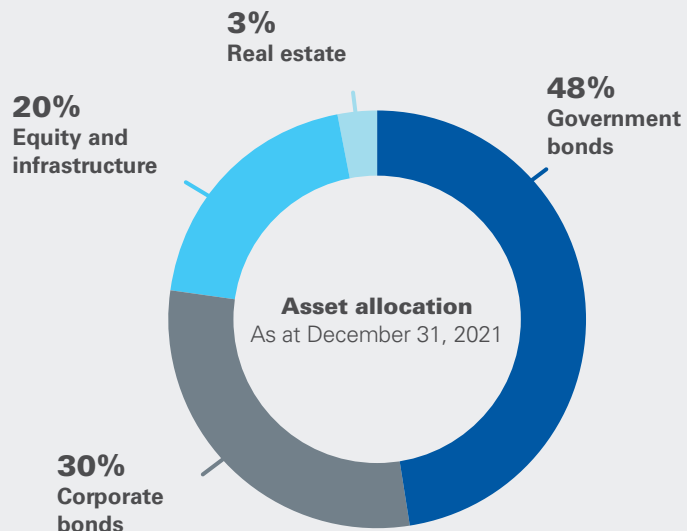
Optimize the asset allocation in order to earn long-term returns superior to those on guaranteed investment accounts, while maintaining an appropriate risk level that will provide long-term returns stability.

Fund composition

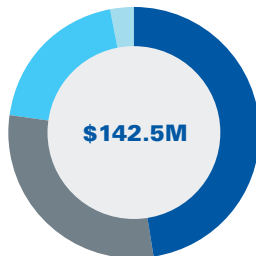
The Fund is invested primarily in high-quality fixed-income securities, equities and infrastructure, as well as iA Financial Group real estate securities.

EquiBuild Account

Clients wishing to invest additional amounts (excess premium) can also have access to the performance of the EquiBuild Fund through the EquiBuild Account. The credited rate on the balance of the EquiBuild Account is equal to the EquiBuild Fund declared rate minus the annual management fees.



EquiBuild Fund assets as of December 31, 2021



EquiBuild Fund Declared Rate - 2022: **4.75%**

The EquiBuild Fund Declared Rate is set annually by applying a smoothing formula to the returns on the portfolio assets.

Returns on the EquiBuild Fund

	Bonds	Equity and Real estate	Total returns	EquiBuild Fund Declared Rate
2017	3.7%	9.1%	5.2%	5.50%
2018	3.4%	-0.1%	2.4%	5.50%
2019	3.1%	19.3%	7.7%	5.50%
2020	3.0%	0.2%	2.2%	5.25%
2021	2.8%	19.1%	6.9%	5.00%

The management team behind the EquiBuild Fund

iA Investment Management is an internal team within iA Financial Group.

Team comprised of more than 130 individuals:

- More than 100 investment professionals
- Close to 50 individuals with Chartered Financial Analyst (CFA) designation

More than \$100 billion in assets under management

- More than \$50 billion in fixed income
- \$20 billion in assets with an asset allocation similar to that used for the EquiBuild Fund

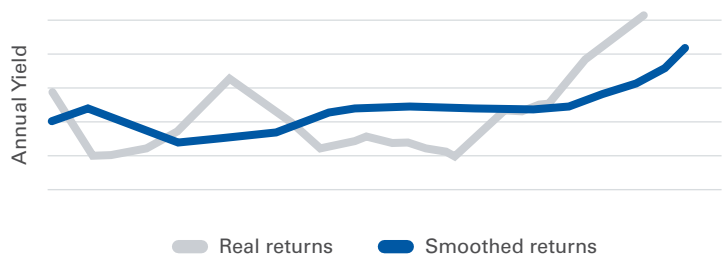
Smoothed rate of return

The EquiBuild Fund, prudent management that provides a smoothed rate of return

“Smoothed” returns: The EquiBuild declared rate is based on returns earned on EquiBuild Fund assets to which the Company applies a smoothing formula. This formula amortizes the major fluctuations in returns (positive and negative) and provides a stable, low-volatility declared rate from year to year.

This chart shows how the smoothing formula stabilizes the declared rate.

Smoothing effect



How gains and losses are smoothed varies according to the asset class.

The chart below shows the smoothing method for various asset classes in the EquiBuild Fund.

Asset class smoothing method

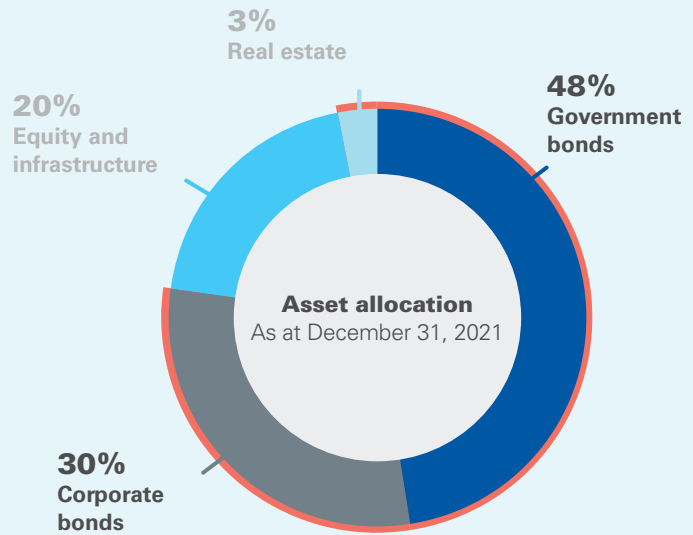
	Realized gains and losses	Unrealized gains and losses
Bonds	<ul style="list-style-type: none"> — Gains and losses realized on bond sales are amortized into fund income over a period approximately equal to the average remaining term to maturity. — Bond coupons are recognized when received, no smoothing is required. 	<ul style="list-style-type: none"> — Unrealized gains and losses are not included in the smoothing formula and thus, have no impact on Fund income.
Equity	<ul style="list-style-type: none"> — Underlying yield of 5% is assumed and annual yield fluctuations above or below that yield will be amortized over 10 years into Fund income. 	
Real estate	<ul style="list-style-type: none"> — Annual appreciation or depreciation of the property value is amortized into Fund income over 10 years. — Rental income is recognized when received, no smoothing is required. 	

The EquiBuild Fund declared rate cannot vary more than 0.5% from one year to the next.

Only a change to the smoothing formula that would benefit all EquiBuild clients could lead the company to change the smoothing formula. In this situation, the company would inform clients of the change.

EquiBuild Fund Asset Allocation

Bonds (78%)



Bond composition

Allocation limit:

Minimum: 55%
Maximum: 90%

Government bonds (48%)

Allocation target:

A basket of high quality provincial bonds

Provincial bonds - Ratings

S&P: A+
Moody's: Aa2

Corporate bonds (30%)

Allocation target:

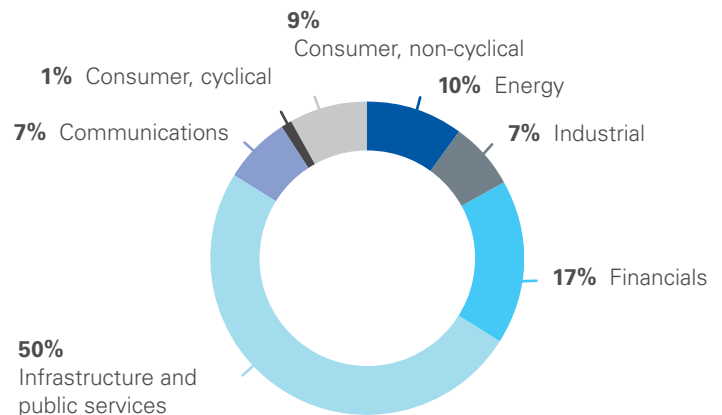
Class A: 80%
Class BBB: 20%

Corporate bonds - 10 examples of securities held in the EquiBuild Fund

407 International Inc.
Altalink
AT&T
Canadian National Railway Co.
Enbridge Inc.
Hydro One LTD
Nav Canada
Rogers communications Inc.
Telus Corp.
Transcanada Pipelines LTD

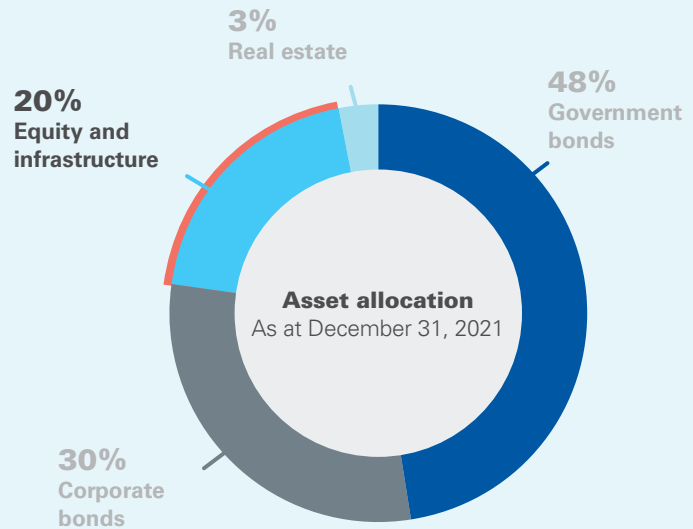
Corporate bonds - Sector allocation

As at December 31, 2021



EquiBuild Fund Asset Allocation

**Equity and
infrastructure (20%)**



Equity and infrastructure composition (20%)

Total target allocation: 18%

Allocation limit

Minimum: 10%
Maximum: 25%

Private equity and infrastructure

Investments in companies not listed on the stock exchange that aim to provide stability, capital protection and to enhance yields.

**Allocation target in private equities
and infrastructure : 8%**

Canadian equities: 100%

Public equities

Allocation target in public equities: 10%

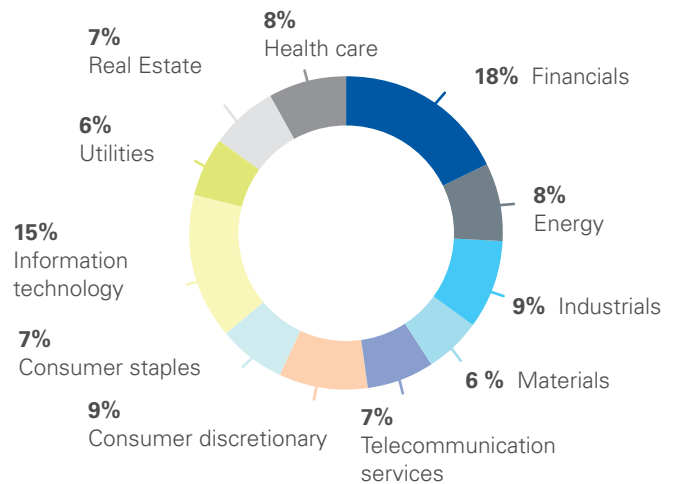
Canadian equities: 70%
U.S. equities: 30%

Equities - 10 examples of securities held in the EquiBuild Fund

Amazon.com Inc
Apple
Capital Power
Enbridge
Microsoft Corporation
Nestle SA
Pembina Pipeline
Slate Grocery REIT
TC Energy
Tencent Holdings Ltd

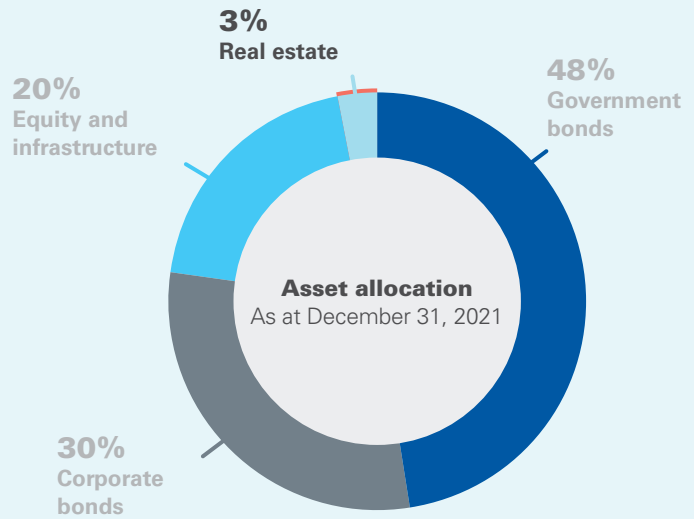
Public equities - Sector allocation

As at December 31, 2021



EquiBuild Fund Asset Allocation

Real estate (3%)



Real estate composition

iA Financial Group owns and manages real estate assets. The portfolio is diversified by location and property type, which provides stability for the EquiBuild Fund.

Real estate allocation limit:

- Minimum: 0%
- Maximum: 20%
- **Allocation target: 10%**

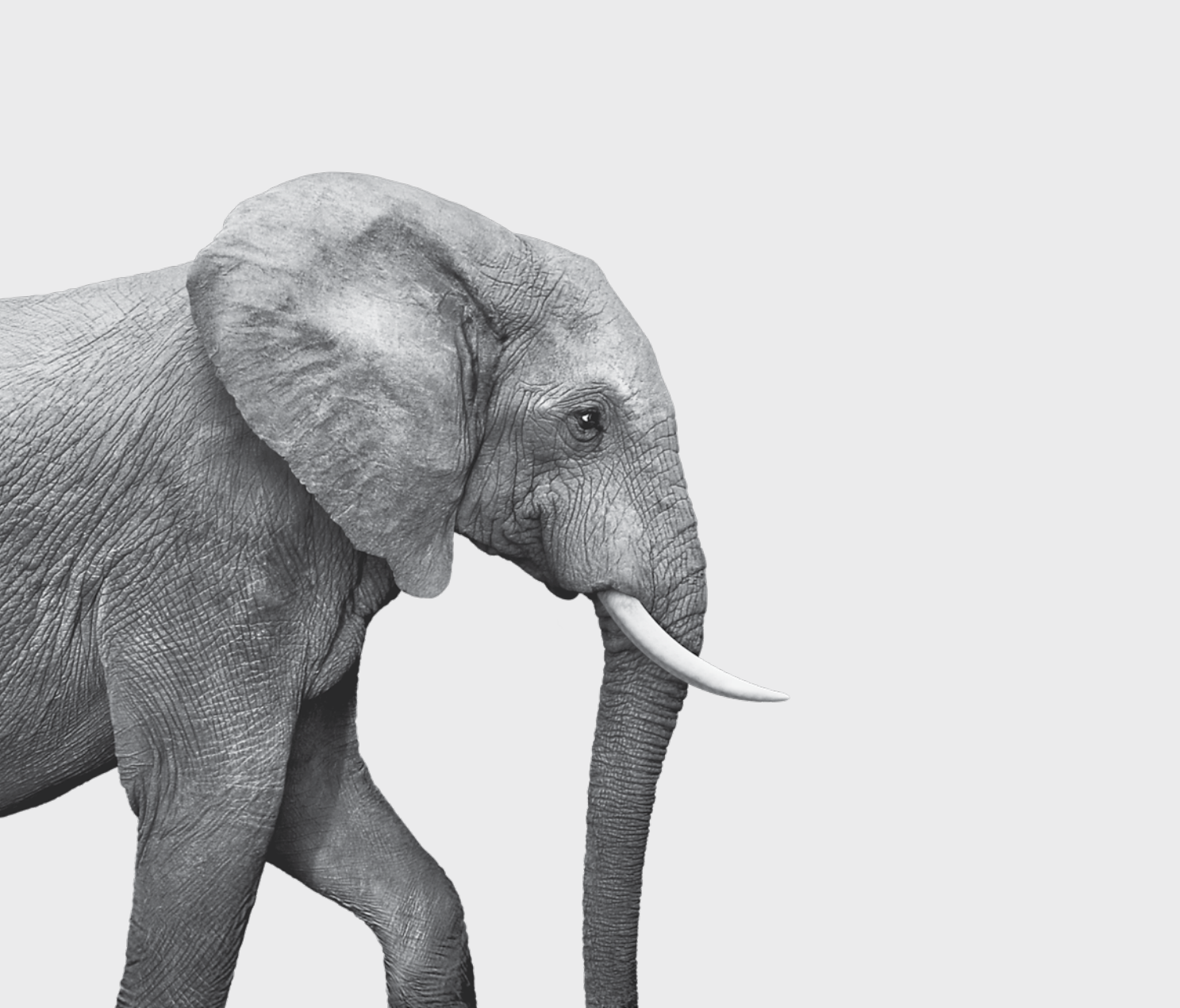
Examples of real estate allocated to the EquiBuild Fund



2425 Matheson Boulevard East



111 Peter Street



F13-1008A(22-05) ACC

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