LIFE INSURANCE

Genesis

THE SMOOTHED RETURN DIVERSIFIED FUND

For a stable return with low volatility

A beneficial option for clients with **long-term investment horizons** who plan to keep their insurance on a permanent basis.

Prudent management

Our team of portfolio managers at iA Investment Management employs a prudent, measured approach to maximize long-term returns.

Strength

Benefit from iAIM's seasoned team with incomparable expertise in asset management and over $105B in assets under management.

Stability

The Fund benefits from an optimal diversification of asset classes as well as a smoothing technique that weakens variations to favour long-term stability.

Investment opportunities

Exposure to a range of asset classes, including alternative assets, bonds and equities.

iA Financial Group

The Smoothed Return Diversified Account (SRDA)

The credited rate on the SRDA for a given year is equal to the declared rate of the Smoothed Return Diversified Fund (the Fund) minus the annual management fees, and is subject to a minimum of 0% and a maximum of 8.5%.*

Objectives of the fund

Optimize the asset allocation to provide attractive long-term return potential while minimizing risks through an actively managed approach to investment diversification.

Fund composition

In order to optimize the risk/return relationship, investments in alternative assets will be integrated into the account in addition to fixed income securities and equities. Alternative assets offer many advantages such as higher returns with an equal or lower risk, low correlation with traditional asset classes and increased portfolio diversification.

Fund assets as at December 31, 2021

$525M

Target asset allocation

Private equity and infrastructure	15%
Private debt	15%
Commercial mortgages	10%
Real estate investments	10%
Government bonds	15%
Corporate bonds	15%
Preferred shares	5%
Common shares	15%

Market Value Adjustment (MVA)

The SRDA has a long-term investment horizon, for clients who plan to keep their insurance on a permanent basis with the option of using the money in the account to pay their insurance costs. As a result, the Market Value Adjustment (MVA) does not apply when funds in the SRDA are used to pay cost of insurance (COI) charges, but may apply for other transactions, such as a withdrawal, transfer or surrender.

The MVA is updated regularly and is calculated on a global basis. The MVA factor applicable to a specific date used in the MVA calculation is therefore the same for all policies, regardless of when the investments were made.

See the Genesis 9 Product Guide for a complete explanation of the MVA.

*The investment bonus does not apply to the Smoothed Return Diversified Account.

The management team behind the Smoothed Return Diversified Fund

iA Investment Management (iAIM) is the team responsible for the active management of the Fund. Founded in 2004, the team is at the forefront of the asset management industry.

An internal team of experienced managers, comprised of more than:

- 115 investment professionals
- 50 individuals with Chartered Financial Analyst (CFA) designation

More than $105 billion in assets under management:

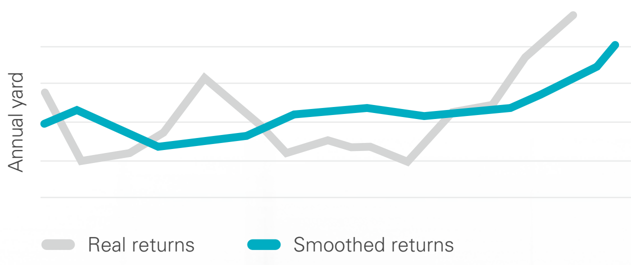
- General portfolios
- Segregated funds
- Mutual funds

Smoothed rate of return

The Smoothed Return Diversified Fund: prudent management that provides a smoothed rate of return.

Smoothed returns: The Fund declared rate is based on returns earned on the Fund assets to which the Company applies a smoothing formula. This formula spreads out the gains and losses and provides a stable, low-volatility declared rate from year to year. The declared rate shouldn't vary by more than 0.5% from one year to the next.

Smoothing effect



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

Alternative assets (50%)

Alternative Asset Allocation of the Fund

Private equity and infrastructure

Allocation target: 15%

Real estate investments

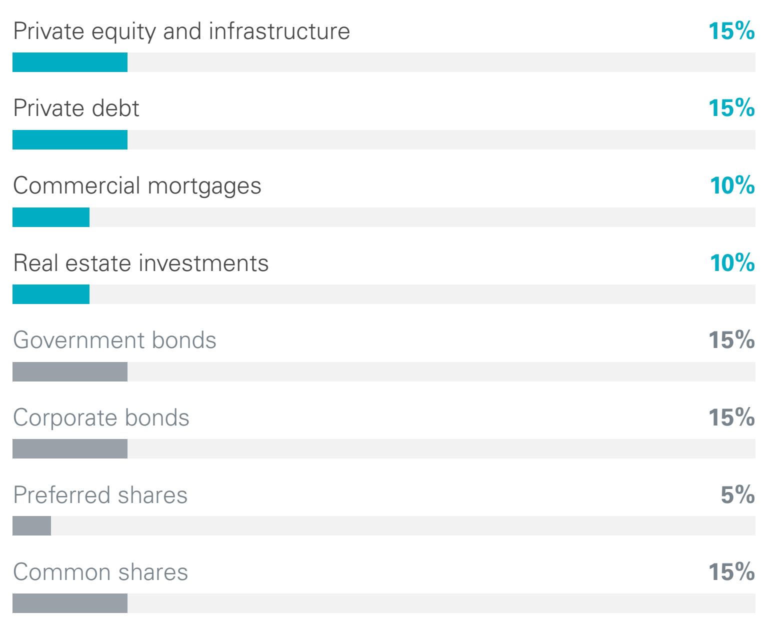
Allocation target: 10%

Commercial mortgages

Allocation target: 10%

Private debt

Allocation target: 15%

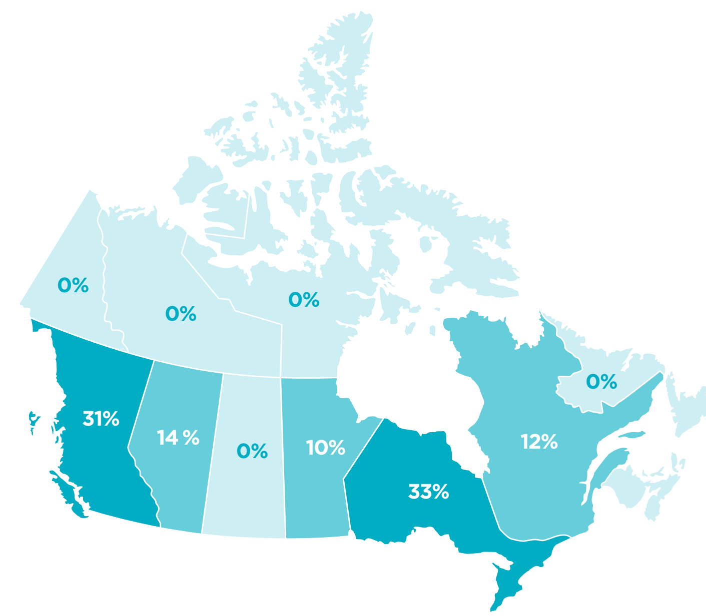


Commercial mortgages
(10% target)

The commercial mortgage portfolio consists primarily of mortgages on multi-residential, retail, industrial and office properties.

Our goal is to have a mortgage portfolio that is geographically diversified in Canada's major urban centres, with terms ranging from 5 to 20 years. The managers adhere to a rigorous selection process. Location, quality of tenants, lease terms, quality of building construction, economic outlook for the area and financial health of the borrower are the main factors considered in granting mortgage loans.

Due to the lower liquidity profile of this asset class, commercial mortgages typically earn a higher yield than corporate bonds with similar risks.



Geographic representation as at December 31, 2021

Private equity and infrastructure
(15% target)

Capital and infrastructure investments are made in unlisted companies.

Our objective is to invest in a diversified portfolio of infrastructure projects and private companies located around the world. We also aim to diversify across different industries and sectors such as renewable energy, transportation and telecommunications.

Generally, these investments offer superior returns and a lower volatility profile relative to public equities. They can also provide a measure of protection against inflation.

Private debt
(15% target)

For this type of asset, we primarily target long-term, geographically diversified private debt investments.

We favour debt investments to finance infrastructure projects, which generate stable cash flows. Above all, we favour high-quality borrowers.

Since this type of investment is very long term (15 to 30 years), private in nature and not traded on organized markets, its yield is higher than comparable corporate bonds.

Real estate investments
(10% target)

iA Financial Group owns and manages an impressive and well-diversified portfolio of real estate assets.

The Fund is invested directly in some of these properties located in major urban centres in Canada. The Fund can be invested in office, retail, industrial and residential buildings.

This asset class provides a stable income base as well as protection against inflation due to potential property value appreciation.

Government and corporate bonds (30%)

Asset allocation

Government bonds

Allocation target: 15%

Corporate bonds

Allocation target: 15%
Credit ratings AA, A, BBB

Private equity and infrastructure	15%
Private debt	15%
Commercial mortgages	10%
Real estate investments	10%
Government bonds	15%
Corporate bonds	15%
Preferred shares	5%
Common shares	15%

Government bonds
(15% target)

The government bond portfolio may include federal (Canadian and foreign), provincial and municipal bonds of various maturities

Corporate bonds
(15% target)

The corporate bond portfolio consists of bonds issued by large Canadian and corporate bond issues.

We invest in corporate issues of all maturities, with the primary objective of enhancing returns relative to government bonds.

For the entire bond portfolio, we aim for an average term of between 10 and 20 years and an average investment grade credit rating.

10 examples of securities held in the Fund

407 International Inc
Altalink
BC Ferries
Canadian National Railway Co.
Enbridge Inc
Hydro One LTD
Intact Financial Corp.
Metro Inc.
Rio Tinto
Telus Corp.

Sector allocation

Infrastructure	57%
Industrials	15%
Financials	10%
Energy	9%
Communications	9%

As at December 31, 2021

Common and preferred shares (20%)

Asset allocation

Common shares
Allocation target: 15%

Preferred shares
Allocation target: 5%

Private equity and infrastructure	15%
Private debt	15%
Commercial mortgages	10%
Real estate investments	10%
Government bonds	15 %
Corporate bonds	15%
Preferred shares	5%
Common shares	15%

Common shares (15% target)

The common shares portfolio in the Fund is invested primarily in the shares of large capitalization companies around the world.

The portfolio is also well diversified across several sectors of the economy in order to diversify risk while taking advantage of various growth opportunities.

Global allocation

Canada: **7%** | USA: **71%** | Global (ex-US): **22%**

Sector allocation

Information technology	21%
Financials	20%
Consumer discretionary	10%
Industrials	10%
Health Care	9%
Telecommunication services	7%
Energy	6%
Materials	6%
Consumer staples	6%
Utilities	3%
Real Estate	2%

As at December 31, 2021

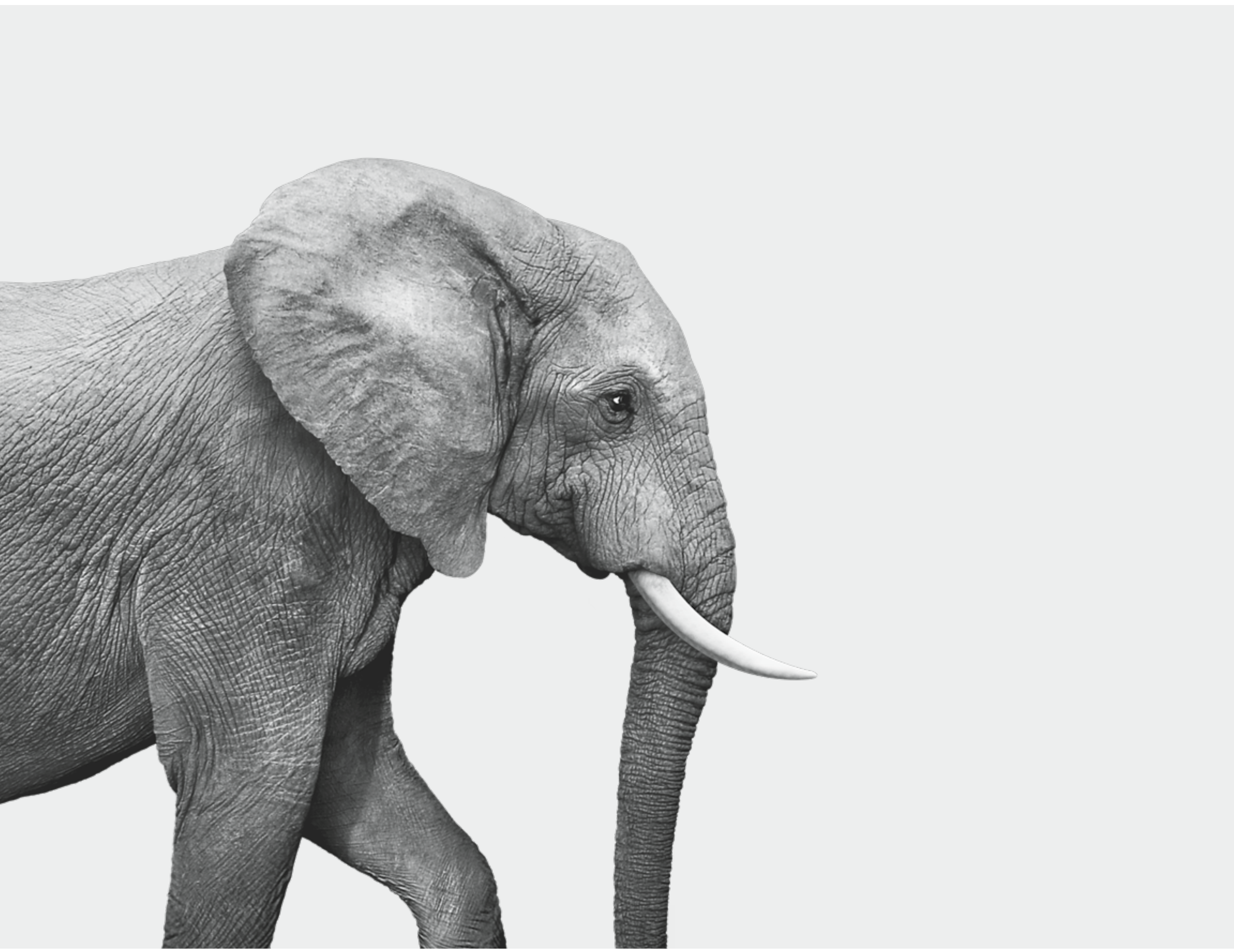
Preferred shares (5% target)

Preferred shares are an asset class that provides dividends which are generally stable and predictable over time.

Within the Fund, the selection of preferred shares is based on the following principles: the level and stability of the dividends over time, the sector of exposure and the quality of the issuer.

10 examples of securities held in the Fund

Atco LTD/Canada
BMO
CIBC
Element Fleet Management Corp.
Emera Inc.
Enbridge Inc.
National Bank of Canada
Northland Power Inc.
Royal Bank of Canada
TD Bank



F13-1166A (22-03)

INVESTED IN YOU.