EQUIBUILD FUND

Explanatory document

THE EQUIBUILD FUND

EXPERTISE

The EquiBuild Fund is actively managed by iA Global Asset Management (iAGMA) to optimize long-term risk-adjusted returns. Our asset diversification strategy allows attractive and stable long-term returns. iAGMA is a wholly-owned subsidiary of iA Financial Group. It includes over 100 investment professionals who manage iA Financial Group's assets. iAGMA manages more than $100 billion in assets, of which more than $10 billion is invested in alternative assets normally reserved for the institutional market.

STABILITY

The long-term investment horizon and the strategic asset allocation provide enhanced long-term yield potential, while favouring a prudent and measured approach. The EquiBuild Fund benefits from optimal diversification of asset classes and asset strategies, as well as a smoothing technique that reduces the year-over-year credited rate volatility to promote long-term stability.

OPPORTUNITY

The policy owner benefits from the Fund's diversified investment strategies, including various types of fixed-income securities, derivative strategies, real estate and private investments. The asset allocation strategy includes alternative assets which offer a risk-adjusted yield, while reducing correlation with traditional markets.

EQUIBUILD FUND:

the foundation for growth in the EquiBuild and Legacy policies.

Fund objectives

The management philosophy of the Fund is based on an understanding of the long-term risk-return relationship, and the resulting asset allocation opportunities. The objective of the Fund is to optimize the asset allocation in order to earn high long-term returns, while maintaining an appropriate risk level that will provide return stability.

Bonus

Each year end, a declared rate is calculated and published for the fund. All policyholders receive a bonus if the declared rate in effect on the policy anniversary exceeds the policy's threshold rate. The bonus in question equals the portion of the declared rate that exceeds that threshold multiplied by the policy values specified in the contract. The bonus can be used to purchase additional life insurance or can be invested in one of the investment accounts chosen by the policyholder.

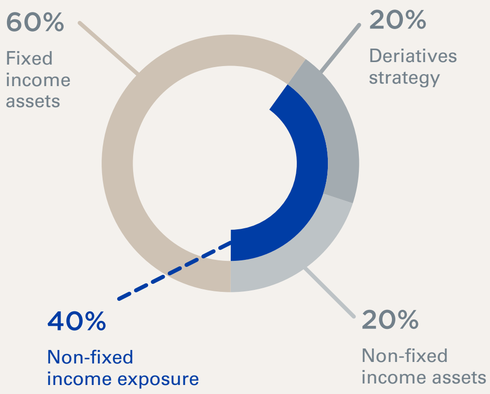
EquiBuild Account

Policy owners 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 account is equal to the Fund's declared rate minus the annual management fee.

Fund composition

The Fund is invested primarily in high-quality fixed-income securities, derivatives, private equity and infrastructure, and real-estate investment.

Target asset allocation



Assets	Long-term target asset allocation	Min.	Max.
FIXED INCOME ASSETS			
Short-term	0%	0%	10%
Government bonds	15%	5%	50%
Corporate bonds	35%	0%	50%
Private debt	10%	0%	20%
Total	**60%**		
DERIVATIVES STRATEGY			
Assets tied to this strategy	20%	0%	30%
Total	**20%**		
NON-FIXED INCOME ASSETS			
Real estate investments	5%	0%	10%
Private equity and infrastructure	15%	0%	30%
Total	**20%**		

FIXED INCOME ASSETS (Target allocation: 60%)

Government and corporate bonds

The government bond portfolio may include federal, provincial and municipal bonds aiming to diversify geographically and by maturity. The corporate bond portfolio's primary objective is to enhance returns relative to government bonds and consists of bonds issued by large Canadian corporate bond issuers. The entire bond portfolio is predominantly composed of bonds with an investment grade credit rating.

Private debt

For this type of asset, we primarily target long-term, geographically diversified private debt investments. We favour debt investments that generate advantageous risk-adjusted returns and 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.

DERIVATIVES STRATEGY (Target allocation: 20%)

The objective of this strategy is to provide some exposure to the market while optimizing the risk-return ratio and ensuring resilience in a high volatility environment. The strategy consists of fixed-income securities and call options whose returns are linked to the performance of market indices. It aims to provide North American equity exposure consistent with the targeted allocation, while ensuring stable returns. The strategy's conservative equity market exposure limits gain/loss volatility and offers downside protection. Regular rebalancing allows this asset class to respond quickly to changing market conditions.

NON-FIXED-INCOME ASSETS
(Target allocation: 20%)

Real estate investments

The Fund is invested directly and indirectly in properties located in major urban centres. 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 and increases in rental income.

Private equity and infrastructure

This institutional asset class aims to build 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 with respect to market fluctuations. They can also provide a measure of protection against inflation.

SMOOTHED RATE OF RETURN

The Fund provides a smoothed rate of return, reflected in its declared rate which is updated annually at the beginning of the calendar year. iA Financial Group uses a smoothing formula to establish a stable, low volatility declared rate from year to year, which cannot vary by more than 0.5% from one year to the next. iA's smoothing formula is based on two main components;

a. the Company's long-term return assumption (LTRA[1], established each year using its best return estimates, based on the target asset allocation for the EquiBuild Fund, and

b. the difference between the historical Fund net earned returns[2] and its actual credited returns[3], divided by the Fund value at the end of the period, and smoothed over 20 years.

[1] The LTRA is expected to remain relatively stable from one year to the next.

[2] The net earned returns are based on the EquiBuild Fund asset cash flows and market value movements.

[3] The credited returns are based on the declared rate.

EquiBuild Fund Declared rate – 2024: 5.5%

iA FINANCIAL GROUP IN NUMBERS

Over **4** million clients

Over **8,500** employees

Over **50,000** advisors

$213.9 billion in assets under management and administration

$7.8 billion in market capitalization

ABOUT iA GLOBAL ASSET MANAGEMENT (iAGMA)

Choosing Legacy means benefitting from the expertise of a seasoned asset management team. iA Global Asset Management (iAGMA) is a wholly-owned subsidiary of iA Financial Group. iAGMA has close to 180 employees, including more than 100 investment professionals and nearly 50 CFA charterholders. The team responsible for managing all of iA Financial Group's assets within iAGMA will manage the EquiBuild Fund. This team manages nearly $45 billion in assets, of which more than $10 billion is invested in alternative assets. This type of investment includes real estate investments, private debt, commercial mortgages, infrastructure investments and private equity. The team's portfolio management is supported by the expertise of several teams within iAGMA, including a variety of managers with a wealth of experience in equities, bonds, alternative assets, asset allocation, economics and risk management.

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INVESTED IN YOU.