Canada Life segregated funds policy

Originally with London Life

Standard series,
Preferred series 1,
Partner series,
Preferred partner series

Information folder May 2025

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The Canada Life Assurance Company is the sole issuer of the individual variable annuity policy described in this information folder. This information folder is not an insurance or annuity contract.

This information folder is not complete without the applicable fund facts booklet. Both the information folder and fund facts booklet must be received.

Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

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This information folder is not an insurance contract. The information in this folder is subject to change from time to time. If there is a difference between this information folder and your contract, your contract will apply.

In this information folder, “you” and “your” mean the potential or actual policyowner of a Canada Life segregated funds individual variable annuity policy. “We,” “us,” “our” and “Canada Life” means The Canada Life Assurance Company.

About Canada Life

The Canada Life Assurance Company, a subsidiary of Great-West Lifeco Inc. and a member of the Power Corporation group of companies, provides insurance and wealth management products and services. Founded in 1847, Canada Life is the country’s first domestic life insurance company.

The terms and conditions of the policies issued by Canada Life and the distribution of the policies are governed by the insurance acts of the provinces and territories in Canada where Canada Life carries on business.

Canada Life’s administrative offices are located at:

London

255 Dufferin Ave
London ON N6A 4K1

Montréal

1110-1350 René-Lévesque Blvd W
Montréal QC H3G 1T4

Canada Life’s head office is located at:

Winnipeg

100 Osborne St N
Winnipeg MB R3C 3A5

Certification

This information folder contains brief and plain disclosure of all material facts relating to the segregated funds options available in the Canada Life segregated funds individual variable annuity policy issued by Canada Life.

March 25, 2025

Fabrice Morin
President and Chief Operating Officer, Canada

Colleen Myers
Senior Vice-President Legal Canadian Operations, Canada

Key facts about the Canada Life segregated funds individual variable annuity policy

This summary provides a brief description of the basic things you should know before you apply for this individual variable insurance contract. This summary is not your contract. A full description of all the features and how they work is contained in this information folder and your contract. You should review these documents and discuss any questions you have with your financial security advisor.

What am I getting?

You are getting an insurance contract between you and The Canada Life Assurance Company. It gives you a choice of segregated funds and provides certain guarantees.

You can:

- Choose a registered or non-registered contract
- Name a person to receive the death benefit
- Withdraw money from your contract
- Receive regular payments now or later

The choices you make may affect your taxes, see the section *Income tax considerations.* They could also affect the guarantees, see the section *Example of how redeeming units affects the guaranteed amount.* Ask your financial security advisor to help you make these choices.

The value of your contract can go up or down subject to the guarantees.

What guarantees are available?

You get maturity and death benefit guarantees. These help protect your fund investments. You have a choice of three guarantee levels. You pay fees for this protection and the fees are different for each level. The guarantee levels are:

- 75/75 guarantee (75 per cent maturity and death benefit guarantees)
- 75/100 guarantee (75 per cent maturity guarantee and 100 per cent maximum death benefit guarantee)
- 100/100 guarantee (100 per cent maximum maturity guarantee and 100 per cent maximum death benefit guarantee)

Certain segregated funds may not be available under all guarantee levels. For details see the Fund Facts for each segregated fund, which can be found in the *Fund Facts* booklet.

For full details about each of the guarantee levels, see the *Guaranteed benefits* section. For details on the cost, see the *Fees and expenses* section.

You may also get added protection from reset options. There are extra fees for any options you select.

Any withdrawals you make will reduce your maturity and death benefit guarantees. For full details, please see the *Example of how redeeming units affects the guaranteed amount* section.

Maturity guarantee

This protects the value of your investment at one or more specific dates in the future. These dates are explained in the *Guaranteed benefits* section.

On these dates, you will receive the greater of:

- The market value of the funds, or
- 75 per cent of the money you put in the funds

You can get up to a 100 per cent maturity guarantee. This will cost you more. For details about the 100 per cent maturity guarantee, see the *100/100 guarantee policy* section. For details about the costs, see the *Fees and expenses* section.

Death benefit guarantee

This protects the value of your investment if the insured person dies. It is paid to someone you name.

The death benefit applies if the insured person dies before the maturity date. It pays the greater of:

- The market value of the funds, or
- 75 per cent of the money you put in the funds

You can get up to a 100 per cent death benefit guarantee. This will cost you more. For details about the 100 per cent death benefit guarantee, see the *75/100 guarantee policy* and the *100/100 guarantee policy* sections. For details about the costs, see the *Fees and expenses* section.

Reset options

A death benefit guarantee reset option is available on the 75/100 guarantee policy and 100/100 guarantee policy. A maturity guarantee reset option is available on the 100/100 guarantee policy.

These options reset the amount of the death benefit and maturity guarantee amounts. These options cost extra.

For full details, see the *Guaranteed benefits* section. The fees are described in the *Fees and expenses* section.

What investments are available?

You can only invest in the funds described in the *Fund Facts* booklet which is provided with this information folder.

Other than any maturity and death benefit guarantees, Canada Life does not guarantee the performance of the segregated funds. Carefully consider your tolerance for risk when you select a fund.

How much will this cost?

Your costs will vary depending on the guarantee level, segregated fund(s) and series you select. For full details, see the section *Sales charge options* and the *Fund Facts* for each fund which can be found in the *Fund Facts* booklet.

Lower management fees apply in our Preferred series 1 and Preferred partner series when you meet the minimum investment amount and total holdings requirements. See section *Minimums to establish and maintain a policy* for details.

For Standard series and Preferred series 1, investment management fees and expenses, including a trailing commission payable to your financial security advisor, are deducted from the segregated funds. They are shown as management expense ratios or MERs on the *Fund Facts* for each fund. For Partner series and Preferred partner series, the investment management fee and expenses are deducted from the segregated funds and are shown as MERs on the *Fund Facts* for each fund. You will also pay an advisory and management service fee that you agree to. For full details, see the sections *Partner series fee agreement* and *Advisory and management service (AMS) fee.*

An investment management fee rebate is available for eligible policies. Once certain thresholds and eligibility requirements are met the fee rebate will apply automatically. For full details, see the section *Investment management fee rebate* in the *Fund Facts booklet* which is provided with this information folder.

If you select a reset option, additional fees apply.

If you make certain transactions or other requests, you may be charged separately for them and this includes a short-term trading fee.

The deferred sales charge option is not available for new contributions but may be available for switches or internal transfers from an existing Canada Life Segregated Funds policy.

For full details, see the section *Fees and expenses* and the *Fund Facts* for each fund which can be found in the *Fund Facts* booklet.

What can I do after I purchase this contract?

If you wish, you can do any of the following:

Switches

You may switch from one fund to another. See the section *How to switch segregated fund units.*

Withdrawals

You can withdraw money from your contract. If you decide to, this will affect your guarantees. You may also need to pay a fee or taxes. See the section *How to redeem segregated fund units.*

Premiums

You may make lump-sum or regular payments. See the section *How to allocate premiums to segregated fund units.*

Rebalancing service

The rebalancing service provides automatic portfolio rebalancing. It allows you to choose specific target allocations in order to maintain a consistent balance of risk among different categories of segregated funds. We monitor and rebalance your chosen segregated funds based on the frequency and rebalancing range percentage you select. Only rebalancing eligible segregated funds may be included in the rebalancing service. For full details, see the *Rebalancing service* section.

Payout annuity

At a certain time, unless you select another option, we will start making payments to you. See the section *When your policy matures.*

Certain restrictions and other conditions may apply. Review the contract for your rights and obligations and discuss any questions with your financial security advisor.

What information will I receive about my contract?

We will tell you at least once a year the value of your investment and any transactions you have made during the year.

You may request more detailed financial statements for the funds. These are updated at certain times during the year.

For full details, see the section *Administration of the segregated funds.*

Can I change my mind?

Yes, you can:

- Cancel the contract
- Cancel the initial pre-authorized chequing premium
- Cancel any additional lump-sum premium you make

To do any of these, you must tell us in writing within two business days of the earlier of:

- The day you receive the confirmation of your transaction, or
- Five business days after we mail the confirmation to you

The amount returned will be the lesser of the amount you invested or the current value of the units you acquired on the day we process your request. The amount returned will include a refund of any sales charges or other fees you paid. The transaction may generate a taxable result and you are responsible for any income tax reporting and payment that may be required.

If you change your mind about a specific additional premium, the right to cancel only applies to that transaction.

Where can I get more information?

You may call us at 1-888-252-1847 or send us an email. To send an email please go to our website and then to the "**Contact Us**" section. Information about our company and the products and services we provide is on our website at **canadalife.com**.

For information about handling issues that you are unable to resolve with your insurer, contact the OmbudService for Life and Health Insurance at 1-888-295-8112 or on the Internet at **olhi.ca**. Additionally, if you are a resident of Quebec contact the Information Centre of the Autorité des marchés financiers (AMF) at 1-877-525-0337 or at **lautorite.qc.ca**.

For information about additional protection available for all life insurance policyowners, contact Assuris, a company established by the Canadian life insurance industry. See **assuris.ca** for details.

For information about how to contact the insurance regulator in your province, visit the Canadian Council of Insurance Regulators website at **ccir-ccrra.org**.

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How a Canada Life segregated funds policy works

Introduction

The Canada Life segregated funds policy is an individual variable insurance contract based on the life of the insured person(s), also known as the “annuitant” (or if two insured persons, the “joint annuitants”), which you name on the application form. Canada Life is the issuer of the policy and maintains the segregated funds.

The policy may be purchased only through financial security advisors who are life insurance licensed and who are authorized by us to offer it to you. The policy is available in four ways:

- Non-registered
- Registered retirement savings plan (RRSP)
- Registered retirement income fund (RRIF)
- Tax-free savings account (TFSA)

Spousal RRSPs, locked-in RRSPs (LRRSP), locked-in retirement accounts (LIRAs) and restricted locked-in savings plans (RLSP) are four specific types of RRSPs. Since all RRSPs work the same way, whether or not they are LRRSPs, LIRAs or RLSPs, we will simply refer to them as RRSPs throughout the rest of this information folder unless we say otherwise. Spousal RRIFs, prescribed retirement income funds (PRIF), life income funds (LIF), restricted life income funds (RLIF) and locked-in retirement income funds (LRIF) are five specific types of RRIFs. Unless we say otherwise, when we refer to features of a RRIF, they also apply to a Spousal RRIF, PRIF, LIF, RLIF and LRIF.

A policy held as an investment in a trust arrangement that is registered externally (meaning not through Canada Life) under the *Income Tax Act* (Canada) (such as an RRSP, RRIF, TFSA, etc.) is a non-registered policy with Canada Life and in this information folder we refer to such a trust arrangement as a “trusteed registered plan”. The policyowner of a non-registered policy held in a trusteed registered plan will be the trustee of the trusteed registered plan.

The policy allows you to allocate premiums to the segregated funds we make available from time to time, subject to our then-current administrative rules.

This information folder describes the risks and benefits of the segregated funds, the maturity and death benefit guarantees and the lifetime income benefit option.

If your policy is a non-registered, RRSP or TFSA policy, it is a deferred annuity, which means annuity payments will commence, unless you choose otherwise, following the policy maturity date. If your policy is a RRIF policy, it is a payout annuity and you will receive annuity payments in accordance with the terms of the policy, unless you choose otherwise. If you choose to make a redemption, it will reduce the amount available for annuity payments. The performance of the segregated funds you select will affect the amount available for annuity payments. For more information, see *When your policy matures.*

This document is divided into two parts. The first part contains general information that applies to the policy. The second part provides specific information about the segregated funds.

A glossary of terms is located at the back of this information folder and provides an explanation of some of the terms used in the folder.

Minimums to establish and maintain a policy

The minimum premium required to establish and maintain a policy depends on the policy type and series of the segregated fund selected. Details are set out below.

We reserve the right to change the minimum and maximum amounts from time to time.

Standard series and Partner series

The term “Standard series” means the Standard series front-end load, Standard series deferred sales charge and Standard series low-load deferred sales charge options. Where a term is used individually it will only refer to that individual option. The term “Partner series” means the Partner series front-end load sales charge option.

Where you allocate your premium to segregated funds under the Standard series or the Partner series, the applicable minimums are set out in the following table.

	Non-registered, RRSP and TFSA policies	RRIF policies
Minimum initial premium	$500 lump sum or PAC of $25	$10,000
Minimum amount allocated to a segregated fund	$25	$25
Additional premium	$100	$1,000
Minimum policy value	$500	$500

Current as of the date of the information folder – subject to change
If you are requesting automatic partial redemptions from a non-registered policy, the market value must be at least $7,500.

Preferred series 1 and Preferred partner series

The term "Preferred series 1" means the Preferred series 1 front-end load, Preferred series 1 deferred sales charge and Preferred series 1 low-load deferred sales charge options. Where a term is used individually it will only refer to that individual option. The term "Preferred partner series" means the Preferred partner series front-end load sales charge option.

Where you allocate your premium to segregated funds under the Preferred series 1 or the Preferred partner series, the current applicable minimums are set out below.

	Non-registered, RRSP and TFSA policies	RRIF policies
Minimum total holdings in eligible products	$500,000	$500,000
Minimum initial premium	$500 lump sum or PAC of $25	$10,000
Minimum amount allocated to a segregated fund	$25	$25
Additional premium	$100	$1,000

Current as of the date of the information folder – subject to change

Minimum total holdings

To invest in Preferred series 1 or Preferred partner series units you must hold at least $500,000 in one or more approved investment products ("eligible product"). Eligible products can include Canada Life segregated fund policies and other investment products approved by Canada Life. Ask your financial security advisor for details.

Eligible products must be held as follows (collectively referred to as "total holdings"):

1. In your name
2. In your spouse's name
3. In joint names between you and your spouse
4. In the name of or in trust for dependent children (living in the same household as you)
5. In your parent's name (when living in the same household as you)
6. In a corporate name if you own more than 50 per cent of the voting shares of the corporation
7. Individual Pension Plan where the investor is the sole annuitant
8. Trust as long as both the trustee and the beneficiary each qualify according to one of the criteria as listed in points 1-6 above

Once the minimum investment amount and total holdings have been confirmed, you will be able to invest in the Preferred series 1 or the Preferred partner series.

Eligible products are aggregated within a household according to our then-current administrative practices.

When you hold Preferred series 1 or Preferred partner series units, you must continue to meet the minimum investment amount and total holdings requirements.

Failure to maintain a minimum investment amount and/or minimum total holdings

If a redemption is made from any eligible products included in your total holdings and as a result the market value falls below the minimum total holdings threshold ($500,000) we may switch the market value of all your Preferred series 1 or Preferred partner series units held in all applicable policies to Standard series or Partner series units, respectively, of the same segregated fund and sales charge option. You will not be subject to a front-end load fee. Any remaining redemption charge schedule will carry over when a switch is made. If a segregated fund is not available, another segregated fund, as determined by our then-current administrative rules, will be selected. In a non-registered policy, a switch to units of a different fund may result in a capital gain or loss.

The market value of your segregated fund policy along with the total market value of all eligible products are reviewed on a regular basis. If either the market value or total holdings thresholds are no longer met, we will send a notice to you. The notice will be sent by regular mail to the most recent address on our records for the applicable Canada Life segregated fund policy. You should discuss your options during the notice period with your financial security advisor.

If during the notice period you add a premium, and the market values then meet all applicable requirements, a switch will not be made. If after the applicable notice period the requirements have not been met, we will process the switch.

We will not process the above switch where the decline in the market value of the segregated fund policy and/or eligible product was the result solely of a decrease in the market value of the segregated fund(s) held. If the market value of the applicable policies/ products drops below the minimum threshold or total holding threshold (as shown above) as a result of a redemption(s), or a combination of a redemption(s) and a decline in the market value of the segregated fund policy and/or eligible product, we may process the above switch.

For example:

Let's assume that you establish your 100/100 guarantee policy with a premium of $50,000 allocated to Preferred series 1 front-end load option units on November 5, 2026 and no further premiums are added.

You also have another eligible Canada Life product which has a market value of $525,000 on November 5, 2026.

On Jan. 15, 2027 you redeem $80,000 from one of your eligible Canada Life products leaving the policy with a market value of $445,000. During our review of your eligible products, we note the redemption reduced the market value below the $500, 000 minimum total holdings threshold.

As the market value is below the required minimum due to a redemption, a notice is sent to advise you that the Preferred series 1 front-end load option units will be switched to Standard series front-end load option units unless an additional premium is added to either the 100/100 guarantee policy or other eligible Canada Life products.

After the notice period, we review your 100/100 guarantee policy and eligible Canada Life products and see a premium of $75,000 was added. As the total market value now equals an amount in excess of $500,000, a switch to Standard series front-end load option units will not be made.

Alternatively, if after the notice period, we review your 100/100 guarantee policy and eligible Canada Life products and see a premium has not been added, and the total market value of all eligible products remains under $500,000, we will switch the market value of your units from the Preferred series 1 front-end load option units to Standard series front-end load option units. This switch occurs as the market value of your other applicable eligible products is now below $500,000 and you do not meet the requirements to hold Preferred series 1 units.

Last age to establish or pay premiums to a policy

The last age to establish, pay premiums or transfer (as applicable) to a policy is dependent on the policy type and is based on the annuitant's age. The following table summarizes this information.

Policy type	Last age to establish a policy (based on annuitant's age)	Last age to allocate a premium to a policy
Non-registered **TFSA**	90	90
RRSP including LRRSP, LIRA and RLSP	71	71
RRIF including PRIF, LIF, RLIF and LRIF	• 90 for 75/75 guarantee policy or 75/100 guarantee policy • 71 for 100/100 guarantee policy and must be a result of a transfer from a Canada Life segregated funds RRSP policy	90

Current as of the date of the information folder – subject to change

Partner Series fee agreement

Under the Partner series and Preferred partner series you are responsible for paying an advisory and management service (AMS) fee. This fee is calculated and accrued daily and will be charged by redeeming units from each segregated fund in your policy. The redemption of units to pay this fee will not change the maturity or death benefit guarantees amounts. For information on the AMS fee, see the *Fees and expenses* section.

When you select Partner series or Preferred partner series you must enter into a Partner Series fee agreement with respect to the AMS fee. If a Partner Series fee agreement is not received, we will handle your policy in accordance with our then-current administrative rules until a fee agreement is received in good order at our administrative office or until the policy is terminated.

If you switch from Partner series to Preferred partner series a new agreement is not required.

Types of policies

Non-registered policies

A non-registered policy can be owned by a single individual or jointly by several individuals. The policy can either have a single annuitant, who can be the policyowner or someone else, or joint annuitants as described below.

Legislation requires us to obtain specific information from you when you apply for or add an additional premium to a non-registered policy. In order to comply we obtain this information on the application for the policy and supplemental forms.

If the required information is not provided we will follow up for the information. If the information is not received in a timely manner we have the right to take actions we consider appropriate to obtain this information.

Until we receive the required information any premium will be handled in accordance with our then-current administrative rules which may include; declining to apply the premium received with the application; refusing to accept further premiums, switch and redemption requests; delay trades and suspend trading under the policy. We reserve the right to change our administrative practices or introduce new ones where we determine it is appropriate in order to obtain required information before transactions occur.

Joint policyowners

When a sole annuitant has been named on the application, ownership of the policy following the death of a joint policyowner depends on the type of joint policyowner selected on the application.

When joint policyowners apply for a joint policy on the application, the word "policyowner" and "you" in this folder will mean both joint policyowners.

A) With right of survivorship

When joint policyowners have been named on the application with right of survivorship on the death of a joint policyowner who is not the annuitant, the other joint policyowner will become the sole policyowner. Where Quebec law applies, rights of survivorship means accretion and in order to obtain the same legal effects as the rights of survivorship, joint policyowners must appoint each other as his/her subrogated policyowner. You are responsible for any income tax reporting and payments that may be required as a result of the change in ownership. If the deceased joint policyowner is the annuitant, the policy will terminate and the applicable death benefit will be paid. For more information, see *Guaranteed benefits* and *Income tax considerations.*

B) Tenants in common

When joint policyowners have been named on the application as tenants in common, on the death of a joint policyowner who is not the annuitant, if no contingent policyowner has been named, the estate of the deceased policyowner will take the place of the deceased joint policyowner. You are responsible for any income tax reporting and payments that may be required as a result of the change in ownership. If the deceased joint policyowner is the annuitant, the applicable death benefit will be paid. For more information, see *Guaranteed benefits* and *Income tax considerations.*

Joint annuitants

Joint annuitants are the persons upon whose life the policy is based. Joint annuitants must be either married, civil union spouses or in a common-law relationship with each other at the time of the application.

Except when the policy is owned by a corporation or other entity that is not an individual the joint annuitants must also be joint policyowners with rights of survivorship (where Quebec law applies, rights of survivorship means accretion and in order to obtain the same legal effects as the rights of survivorship, joint policyowners must appoint and maintain each other as his/her subrogated policyowner).

When joint annuitants apply for a joint policy on the application, the word “policyowner” and “you” in this folder will mean both joint policyowners. The word “annuitant” in this information folder will include a joint annuitant, where applicable.

When joint annuitants are also joint policyowners upon the death of a joint annuitant, the surviving annuitant will become the sole annuitant and policyowner. The death benefit will only be paid on the death of the last annuitant while the policy is in force.

When we refer to the age of an annuitant, we mean the age of the younger of the two joint annuitants. The policy maturity date will be determined at issue based on the age of the youngest annuitant. The policy maturity date will not change if the younger annuitant dies first.

Following the policy maturity date, if an annuitant is living and has not previously indicated an alternative preference, annuity payments will commence. If both annuitants are living, the annuity will be based on and be guaranteed for the life of both annuitants. Otherwise, the annuity will be based on and be guaranteed for the life of the surviving annuitant.

Contingent policyowner

If you are not the annuitant, you may name a contingent policyowner (subrogated policyowner in Quebec) and may revoke or change a contingent policyowner. In the event of your death, the contingent policyowner, if living, becomes the new policyowner. When joint policyowners were named on the application with right of survivorship (subrogated policyowner in Quebec), “your death” means the death of the last surviving policyowner. If you have not named a contingent policyowner, or if they are not living on your death, then your estate will become the policyowner.

Assignment

Subject to applicable laws, you may assign a non-registered policy. The rights of the assignee take precedence over the rights of any person claiming a death benefit. An assignment may restrict or delay certain transactions otherwise permitted.

An assignment is not recognized until the original or a true copy is received and recorded by us. An absolute assignment of a policy will make the assignee the policyowner: a collateral assignment or movable hypothec in Quebec will not.

The rights of any policyowner or revocable designated beneficiary, or irrevocably designated beneficiary who has consented, are subject to the rights of any assignee.

Registered policies

A registered policy can only be owned by a single individual who must also be the annuitant.

RRSPs, spousal RRSPs, LIRAs, LRRSPs and RLSPs

A RRSP is a policy registered under the *Income Tax Act* (Canada) as a registered retirement savings plan.

You can only open LRRSPs, LIRAs and RLSPs with money transferred directly from pension plans, where federal or provincial pension laws allow you to. Pension laws place certain restrictions on them.

Generally contributions that you make to your RRSP and spousal RRSPs are tax deductible and there is a maximum amount you can contribute each year under the *Income Tax Act* (Canada). You can also transfer money directly from a RRSP at another financial institution or from a pension plan, if federal or provincial pension laws allow you to. There are no limits on the amount of transfers from RRSPs. There are limits under the *Income Tax Act* (Canada) for transfers from defined benefit pension plans.

RRIFs, spousal RRIFs, PRIFs, LIFs, RLIFs and LRIFs

A RRIF is a policy that gives you regular income and is registered under the *Income Tax Act* (Canada) as a registered retirement income fund.

You can only open a RRIF with money transferred directly from a RRSP or another RRIF. You can only open PRIFs, LIFs, RLIFs and LRIFs with money transferred directly from a pension plan, from a LRRSP, LIRA and RLSP or from another PRIF, LIF, RLIF or LRIF, where federal or provincial pension laws allow you to. We currently offer RRIFs and LIFs across Canada and PRIFs in Saskatchewan and Manitoba. RLIFs are only available where the money transferred is administered under federal pension legislation.

Under the *Income Tax Act* (Canada), you must redeem a minimum amount each year from these policies. The minimum amount is determined at the beginning of each year based on the market value of all segregated funds held in your policy at that time. For LIFs, RLIFs and LRIFs there is also a maximum amount you may redeem each year.

You can name your spouse as the sole beneficiary and successor annuitant of your RRIF or spousal RRIF. On your death the policy will pass to your surviving spouse, and payments may continue to your surviving spouse. The only person who can be appointed as your successor annuitant is your spouse.

TFSAs

A TFSA is a policy registered under the *Income Tax Act* (Canada) as a tax-free savings account.

Premiums you allocate to your TFSA policy are not tax deductible and there is a maximum amount you can contribute each year under the *Income Tax Act* (Canada).

You can also transfer money directly from a TFSA at another financial institution. There are no limits on the amount of transfers from TFSAs.

You may assign a TFSA as security for a loan. The rights of the assignee take precedence over the rights of any person claiming a death benefit. An assignment may restrict or delay certain transactions otherwise permitted. An assignment is not recognized until the original or a true copy is received and recorded by us.

You can name your spouse as the successor holder of your TFSA. On your death your surviving spouse will become the annuitant and policyowner of the TFSA policy. The only person who can be appointed as your successor holder is your spouse.

Beneficiaries

You may designate one or more beneficiaries to receive any death benefit payable under the policy. You may revoke or change the designation prior to the policy maturity date, subject to applicable law. If the designation is irrevocable, you cannot revoke or change it or exercise certain other specific rights without the written consent of the irrevocable beneficiary in accordance with applicable law.

Where a policy is held in a Trusteed Registered Plan a beneficiary may not be named; on death of the last annuitant any death benefit proceeds will be paid to the trustee of the Trusteed Registered Plan.

If the policy is a LIRA, LRSP, RLSP, PRIF, LIF, RLIF or LRIF, the interest of your spouse, civil union spouse or common-law partner can take priority over a beneficiary designated by you, depending on applicable pension legislation.

While the lifetime income benefit option is in force, you should consider carefully who you wish to name as beneficiary or successor annuitant. The individual named will have an effect on how the policy is administered on the death of an annuitant. For further details, see the *Lifetime income benefit option* section.

How our segregated funds work

Each of our segregated funds is a pool of investments that is kept separate, or segregated, from the general assets of Canada Life. Each segregated fund is divided into different classes with each class having an unlimited number of notional units of equal value.

You can select one of three guarantee levels being either the 75/75 guarantee, 75/100 guarantee or 100/100 guarantee. You can only hold one guarantee level in each policy. For more information on the guarantee levels, see *Guaranteed benefits.*

You can select from one of four series available:

- Standard series;
- Preferred series 1;
- Partner series; or
- Preferred partner series.

You cannot hold units from multiple series in a single policy at the same time.

Under the Standard series, Preferred series 1, Partner series, and Preferred partner series only the front-end load sales charge option is available. You can allocate premiums to this sale charge option subject to our then-current administrative rules and applicable minimum and maximum amounts. For more information, see *Sales charge options.*

You can't contribute premiums to a deferred sales charge option or low-load deferred sales charge option, but you can request a transfer from an existing Canada Life Segregated Funds policy contract , subject to our then-current administrative rules, of deferred sales charge units or low-load deferred sales charge option, and have the funds applied to one of the following options.

- Standard series deferred sales charge option ("Standard series")
- Preferred series 1 deferred sales charge option ("Preferred series 1")
- Standard series low-load deferred sales charge option ("Standard series") or
- Preferred series 1 low-load deferred sales charge option ("Preferred series 1")

Currently, upon a transfer each policy is required to have the same annuitant and guarantee level. A deferred sales charge and low load deferred sales charge is not applied on the surrender of the policy being transferred and any existing deferred sales charge or low load sales charge schedule is carried over. Segregated fund guarantee values, maturity guarantee dates, and policy options are carried over to the new policy. We reserve the right to refuse a transfer and our administrative rules may change from time to time.

Certain segregated funds may not be available under all guarantee levels or series.

When you allocate money to segregated funds, units are allocated to your policy, but you do not actually own, buy or sell any part of the segregated funds or any units. Instead, we hold the assets of the segregated funds. This also means that you don't have any voting rights associated with the segregated funds. We calculate the value and the benefits to which you are entitled based on the value of the units allocated to your policy on a particular date less any applicable fees and charges.

Neither your policy nor your units give you an ownership interest in Canada Life or voting rights in connection with Canada Life. When you select a segregated fund that invests in units of a mutual fund, you will not be a unitholder of the mutual fund.

We have the right to subdivide or consolidate the units of a segregated fund. If we subdivide the units of a segregated fund, there will be a decrease in the unit value. If we consolidate the units of a segregated fund, there will be an increase in the unit value. If we subdivide or consolidate the units of a segregated fund, the market value of the segregated fund and the market value of your policy will not change. We will provide advance notice if we subdivide or consolidate the units.

We have the right to add a guarantee level, series, sales charge option or segregated fund. We also have the right to restrict or close the allocation of premiums or switches to a guarantee level, series, sales charge option or segregated fund. If we do close a guarantee level, series, sales charge option or segregated fund, you cannot allocate a premium or switch to the guarantee level, series, sales charge option or segregated fund. If we do close a guarantee level, series, sales charge option or segregated fund, it may be re-opened for investment at our discretion.

We may terminate or make a change to the fundamental objective of a segregated fund. We will notify you in writing 60 days before we terminate a segregated fund or make a material change to the fundamental investment objectives of a segregated fund. For more information, see *Fundamental changes to the segregated funds.*

If we terminate a segregated fund, you have the right to switch the value of your units to another segregated fund. We may automatically switch the units in the terminated segregated fund to another segregated fund of our choosing. Our written notice to you will specify the segregated fund(s) that will be terminated, the proposed segregated fund that will receive the automatic switch and the date the automatic switch will occur if we do not receive other instructions from you five (5) business days prior to the date the segregated fund is to be terminated. A short-term trading fee will not apply. The redemption of units in a non-registered policy because of a termination may produce a taxable capital gain or loss.

We may change the investment strategies of a segregated fund without notice to you.

It's important to diversify, which means investing in segregated funds that have a variety of assets and investment styles. For more information about the risks involved in segregated funds, see *Fund risks.*

You can choose from different Canada Life segregated funds and this broad choice provides a good opportunity for you to diversify. In addition, there are profile funds that are specially designed to increase diversification. We refer to our asset allocation funds as Canada Life profile funds. They are explained in more detail below. All the segregated funds currently available are described in detail in the *Fund Facts* booklet which is provided with this information folder.

Profile funds

Each profile fund invests in a variety of other funds. They offer you an easy way to diversify your investments by investing in a single fund.

A profile fund may offer you diversification among:

- Types of assets, such as shares, bonds, mortgages and real estate
- The entities that issue the assets, such as shares in large, small or resource-based companies, and bonds issued by governments or companies
- Assets in different countries
- Investment managers with different investment styles

We may review the composition of the profile funds from time to time. When required, we may change:

- The funds the profile fund holds
- The percentages of each fund the profile fund intends to hold
- The number of funds the profile fund may hold

Lifecycle profile funds

A lifecycle profile fund offers you an easy way to diversify your investments through investing in a single fund that matches your investment time horizon.

A lifecycle profile fund is managed towards a specific target date. Actively managed, each fund's target mix is regularly rebalanced to provide an optimal risk and return for the selected investment time horizon.

Each lifecycle profile fund gradually increases its allocation of fixed-income fund units, while reducing its allocation of equity fund units, to provide the potential for more stable growth closer to the target date. When the fund's asset allocation becomes similar to the income profile fund, the lifecycle profile fund may be closed and the assets transferred to the income profile fund or a similar fund. For information about tax implications, see *Income tax considerations.*

Two profile funds – equity profile and fixed-income profile – allow you to modify the target mix of a lifecycle profile fund to match your personal tolerances for risk and return by increasing either the equity or fixed-income component of the portfolio.

The investment management fee may be reviewed periodically and reduced as the fixed-income fund allocation increases.

The composition of the lifecycle profile funds may be reviewed quarterly and the target fund mix updated. When the review occurs, we may change:

- The funds the lifecycle profile fund holds.
- The percentages of each fund the lifecycle profile fund intends to hold.
- The number of funds the lifecycle profile fund may hold.

Responsible Investment Approach

Some of our Segregated Funds consider ESG factors, along with other factors, as part of the investment decision-making process with an aim to generate sustainable income and growth for investors.

What are ESG factors?

ESG Factors that may be considered include, but are not limited to:

- **Environmental**: related to the quality and function of the natural environment and natural systems, such as greenhouse gas emissions, climate change resilience, pollution (air, water, noise, and light), biodiversity/habitat protection and waste management:
- **Social**: related to the rights, wellbeing, and interests of people and communities, such as workplace safety, cybersecurity and data privacy, human rights, local stakeholder relationships, and discrimination prevention; and
- **Governance**: related to the way companies are managed and overseen, such as independence of chair/board, fiduciary duty, board diversity, executive compensation and bribery and corruption.

The above examples are provided for illustrative purposes only and are not exhaustive. Not all factors are relevant to a particular investment or segregated fund.

Funds that take a responsible investment approach use various resources to monitor and evaluate these ESG factors in a qualitative and quantitative manner including, but not limited to, industry publications, company reports, internal and external research, news publications and analyst reports.

Types of Responsible Investment Approaches

Funds that consider ESG factors can include one or more of the following responsible investment approaches:

- **Exclusionary ESG screening:** The fund aims to exclude certain sectors, types of securities, or companies from its portfolio based on certain ESG-related activities, business practices, societal values or norms-based criteria.
- **ESG integration:** The fund explicitly considers ESG-related factors that are material to the risk and return of the investment ("financially material ESG factors"), alongside traditional financial and non-financial factors when making investment decisions with the aim of improving risk-adjusted returns.
- **ESG stewardship:** The fund uses rights and position of holdings in investee companies, wherever the investment is in an investee company's capital structure, to influence the activities or behavior of such companies, including through engagement and voting activities.

Categories of Funds

Funds that incorporate, in whole or in part, responsible investment approaches as discussed above, generally fall within one of the following three categories:

1) Responsible Investment Branded Funds

The segregated fund listed below incorporate one or more of the responsible investment approaches or ESG factors as a fundamental objective and generally include the term "Sustainable" or another ESG factor reference in their name. These Funds generally fall into two categories:

i. **Core ESG funds** which invest in companies or issuers with positive ESG practices that are expected to enhance overall value.

ii. **Thematic ESG funds** which target specific ESG macro-trends or themes that aim to generate competitive returns.

2) ESG Integrated Funds

Segregated funds that incorporate an ESG-integrated approach (as defined above) in the investment process consider ESG factors as part of their security selection, together with other relevant financial and non-financial criteria. However, ESG is not a fundamental objective of these funds.

Funds that follow this approach will use internal and/or external ESG data and insights to evaluate material ESG factors in their investment research, analysis, or decisions include the following segregated funds:

- Canadian Growth Balanced
- Global Growth Opportunities
- Global Balanced

- Canadian Fixed Income Balanced
- Canadian Focused Dividend
- Canadian Focused Growth
- Global Strategic Income
- Unconstrained Fixed Income
- North American High Yield Fixed Income
- Government Bond
- Canadian Core Bond
- Canadian Corporate Bond
- Canadian Core Plus Bond
- Canadian Equity
- Canadian Small-Mid Cap
- Canadian Stock Balanced
- Floating Rate Income
- Strategic Income
- Canadian Dividend
- Canadian Growth
- Canadian Low Volatility
- U.S. Growth
- U.S. Mid Cap Growth
- U.S. Dividend
- U.S. Value Stock
- Foreign Equity
- Global Resources
- Global Small-Mid Cap Growth
- Global Infrastructure
- Science and Technology
- Short-Term Bond

3) Other funds

Segregated funds which are not Responsible Investment Branded Funds or ESG Integrated Funds (as described) may consider ESG factors, but such factors play a limited role and are not necessarily weighted heavily in the investment decision-making process. Certain segregated funds in this category do not aim to incorporate our responsible investment approach or ESG factors into their investment decision-making process.

How we value segregated fund units

Generally, the market value of each class of the segregated fund is determined at the close of business on each day that The Toronto Stock Exchange is open for business and a value is available for any applicable underlying fund. We refer to any day that we value the segregated funds as a valuation day.

On each valuation day we calculate a separate unit value for each class of a segregated fund. Each unit value is calculated by dividing the total value of the assets attributed to the class less any liabilities attributed to the class (including investment management fees and operating expenses) by the number of units in that class. For more information about investment management fees and other expenses, see *Fees and expenses.*

We have the right to change how often we value our segregated fund units. We will tell you in writing 60 days before we decrease the valuation frequency. For more information, see *Fundamental changes to the segregated funds.*

When we calculate the market value of an asset held in a segregated fund, we use the closing price of that asset. If a closing price is not available, we will determine the fair market value of the asset.

Any amount that is allocated to a segregated fund is invested at your risk and may increase or decrease in value.

Fundamental changes to the segregated funds

If we make any of the following changes to a segregated fund, we will notify you in writing 60 days before the change occurs. The notice will be sent by regular mail to the most recent address for this policy we have for you in our records.

- Increase the investment management fee.
- Material change to the investment objective.
- Decrease the frequency with which the fund is valued.
- If applicable, an increase by more than the greater of 0.50 per cent or 50 per cent of the current fee charged for the maturity guarantee reset option or the death benefit guarantee reset option.

During the notice period, you will have the right to switch the value of your units from the affected segregated fund to a similar segregated fund that is not subject to the fundamental change without charge provided you advise us at least five business days prior to the change happening. We will advise you of similar segregated funds that are available to you at that time. A similar fund is a fund within the same segregated fund category that has a comparable investment objective and the same or lower investment management fee.

The switch of your units from one segregated fund to another in a non-registered policy may produce a taxable capital gain or loss. For information about tax implications, see *Income tax considerations.*

If we do not offer a similar segregated fund, you may have the right to redeem the segregated fund units without incurring a redemption charge or similar fee provided you advise us at least five business days prior to the change happening. We will advise you if this applies to you. Any redemption of units from a non-registered policy may produce a taxable capital gain or loss. For information about tax implications, see *Income tax considerations.*

During the transition period between the announcement and the effective date of the fundamental change, you will not be permitted to allocate premiums to or switch into the affected segregated fund unless you agree to waive your rights under this fundamental change provision.

Allocating premiums, redeeming and switching segregated fund units

Although you do not own the segregated fund units, you are directing how we should allocate your premium amongst the segregated funds. You can allocate your premium to a segregated fund up to the earlier of the day prior to the annuitant attaining age 91, subject to applicable legislation, or the commencement of annuity payments. Premiums allocated to the policy, series and a sales charge option are subject to such minimum and maximum amounts in accordance with our then-current administrative rules.

You can request to redeem or switch units prior to the commencement of annuity payments. Requests to redeem or switch segregated fund units may be delayed in unusual circumstances. For more information, see *When the redemption or switch of your units may be delayed.* We only process allocations, redemptions or switches on a valuation day and subject to our then-current administrative rules. We have the right to limit or refuse allocations and switches to, and redemptions from, segregated funds.

If we receive your request to allocate your premium to a segregated fund, redeem or switch units at our administrative office before 4 p.m. eastern time or before the Toronto Stock Exchange closes, whichever is earlier, on a valuation day (the “cut-off time”), we will process the request on that day using that day’s unit value. If we receive your request after that time, we will process it on the next valuation day using the next day’s unit value. For more information, see *How we value segregated fund units.*

When you ask us to allocate your premium to a segregated fund, redeem or switch units, your instructions must be complete and in a manner acceptable to us, otherwise we will not be able to complete the transaction for you.

If the investment instructions or accompanying documentation is incomplete, the premium will be held in accordance with our then-current administrative rules until we receive complete documentation. On receipt of complete instructions and documentation, we will process the request on that day using that day’s unit value if received at our administrative office prior to the cut-off time. If we receive your request after that time, we will process it on the next valuation day using the next day’s unit value.

We have the right to change any minimum amounts that are given in this information folder.

How to allocate premiums to segregated fund units

When you apply a premium to a segregated fund, we allocate units to your policy. We determine the number of units to allocate to your policy by dividing the net amount of the premium by the appropriate unit value of the segregated fund. For more information, please see *How we value segregated fund units.*

Electronic Orders

If your financial security advisor has placed an electronic order on your behalf, we will allocate units to your policy on the valuation day noted above. We may require all necessary and original documentation be provided to us prior to the premium being allocated to a segregated fund.

If we have not received everything we require to process your request within ten valuation days after the order is placed, on the next valuation day we will reverse the order. If there is any loss in market value incurred as a result of reversing the transaction, the amount of the loss will be charged to you.

If on receipt of the required original documentation, it is incomplete or does not match the electronic instructions, your policy will be restricted and you will not be able to switch units until the documentation is corrected to our satisfaction. Once we receive satisfactory documentation, the restriction will be removed.

Pre-authorized chequing (PAC)

You can also allocate premiums to a non-registered, RRSP or TFSA policy by having money transferred automatically from your bank account. The amount allocated to a segregated fund must be at least $25. You can select the frequency of your contributions (i.e. weekly, bi-weekly, monthly, bi-monthly, semi-monthly, quarterly, semi-annually, or annually). Pre-authorized chequing is not available under LRRSPs, LIRAs or RLSPs policies.

If the selected redemption date falls on a non valuation day, the redemption will be processed on the next valuation day.

If any lump sum or PAC is not honoured for any reason, we reserve the right to recover any investment losses and charge you a returned cheque fee to cover our expenses. The recovery of any investment losses and returned cheque fee would be collected by redeeming units and you are responsible for any income tax reporting and payments that may be required. For information on the returned cheque fee, see *Returned cheque fee.*

Sales charge options

Depending on the series, you will be subject to a minimum investment amount and/or minimum total holdings thresholds. You must meet and maintain the minimum of this requirement. For more information, see *Minimums to establish and maintain a policy.*

Some segregated funds may not be available under all series and sales charge options. We may add or remove a segregated fund from a series or sales charge option. If we remove a segregated fund, we will give you written notice if you hold units of that fund. If a segregated fund is removed, you cannot allocate any additional premiums or make switches to a segregated fund under the applicable sales charge option. A segregated fund can be re-added at our discretion without notice to you. To find out if a segregated fund is available under a series and sales charge option, see the *Fund Facts* booklet.

Front-end load option

All four series (Standard series, Preferred series 1, Partner series, and Preferred partner series) offer the front-end load option. If you choose a front-end load option, you may have to pay a fee at the time you allocate the premium to the segregated fund. The fee will be deducted from the premium. The remaining amount will be allocated to units of the segregated fund you select.

Where the Standard series front-end load option or the Partner series front-end load option is selected, the front-end load fee is negotiable with your financial security advisor up to the maximum of five per cent for all segregated funds.

Where the Preferred series 1 front-end load option or the Preferred partner series front-end load option is selected, the front-end load fee is negotiable with your financial security advisor up to the maximum of two per cent for all segregated funds.

We may change the maximum front-end load fee for future premiums on written notice to you.

If you subsequently redeem units held under a front-end load option, you will not pay a redemption charge but you will have to pay any applicable short-term trading fee, withholding taxes and other charges.

Deferred sales charge option

You can't contribute premiums to a deferred sales charge option, but you can request a transfer from an existing Canada Life Segregated Funds policy, subject to our then current administrative rules. (See How our segregated funds work above.). If you hold a deferred sales charge option, you can continue to redeem units or switch to another class and/or sales charge option within the period applicable to each option.

Upon a transfer, any existing deferred sales charge schedule is carried over and will apply. If you redeem units within the remaining time period of the schedule (maximum of 7 years), you will have to pay a redemption charge, any applicable short-term trading fee, withholding taxes and other charges. For more information on the redemption charge, see *Redemption charges.*

Low-load deferred sales charge option

You can't contribute premiums to a low-load deferred sales charge option, but you can request a transfer from an existing Canada Life Segregated Funds policy, subject to our then current administrative rules. (See How our segregated funds work above.) If you hold a low-load deferred sales charge option, you can continue to redeem units or switch to another class and/or sales charge option within the period applicable to each option.

Upon a transfer, any existing low-load deferred sales charge schedule is carried over and will apply. If you redeem units within the remaining time period of the scheduled (maximum of 3 years), you will have to pay a redemption charge, any applicable short-term trading fee, withholding taxes and other charges. For more information on the redemption charge, see *Redemption charges.*

How to redeem segregated fund units

You can redeem segregated fund units on any valuation day by sending appropriate documentation, acceptable to us, to our administrative office. Unscheduled redemptions are subject to minimum amounts, currently set at $500. The value of your guarantees will be proportionally reduced when you redeem units. For more information, see *Examples of how redeeming units affects the guaranteed amount.*

If units are redeemed from the Preferred series 1 or the Preferred partner series, or you make a redemption from an eligible product, which results in the market value of this policy and other eligible products falling below $500,000, we may switch the remaining value of your Preferred series 1 or Preferred partner series units, held in all applicable policies, to Standard series for Preferred series 1 units or Partner series for Preferred partner series units of the same segregated fund and sales charge option. For more information see *Minimums to establish and maintain a policy.*

If units are redeemed from the Partner series or the Preferred partner series the accrued fees related to the AMS fee will be collected prior to the redemption being processed when the remaining market value of a segregated fund, in our sole discretion, will be less than the upcoming monthly fee.

When you request money from your policy, we will redeem the number of units required to fulfill your redemption request. A cheque for the proceeds, less any applicable withholding taxes, fees or charges, will be mailed or the proceeds will be directly deposited to your bank account once all documentation required to process your request is received in a form acceptable to us.

If we do not receive everything we require to process your request within ten valuation days after we receive your request, we will reverse the transaction based on the unit values on the day we process the reversal. If there is any loss incurred as a result of reversing the transaction, the amount of the loss will be charged to you.

We will redeem units from any available free redemption amount first, and then based upon the age of the units held in the applicable segregated funds, with the oldest units being redeemed first. The free redemption amount is not available under the Standard series low-load deferred sales charge option or Preferred series 1 low-load deferred sales charge option. For more information, see *Free redemption amount.*

Units under either of the deferred sales charge options older than seven years and units under either of the low-load deferred sales charge options older than three years may be redeemed without a redemption charge. For more information, see *Redemption charges.*

Currently you may make two unscheduled redemptions in each calendar year without paying an administrative fee. This practice is subject to our then-current administrative rules. You cannot carry forward any unused unscheduled redemptions to another year. Additional redemptions are subject to an administrative fee. We may increase or decrease the allowed number of unscheduled redemptions without notice.

Where the lifetime income benefit option is in force, excess redemptions will have a negative impact on your lifetime income benefit values. Please see *Excess redemptions* in the *Lifetime income benefit option* section.

We will charge a short-term trading fee on any redemption where the units have not been held in the segregated fund for the applicable period of time. For more information, see *Short-term trading fee.*

Redemption requests involving transfers to or from registered plans may be delayed until all administrative procedures involved with registered plans are complete.

When you redeem segregated fund units, the value of those units is not guaranteed because it fluctuates with the market value of the assets in the segregated fund.

Under unusual circumstances, we may have to delay redemptions. For more information, see *When the redemption or switch of your units may be delayed.*

There may be income tax consequences if you redeem units. For more information, see *Income tax considerations.*

Free redemption amount

Each year, you may redeem a portion of your Standard series deferred sales charge units or Preferred series 1 deferred sales charge units without having to pay a redemption charge. We call this the free redemption amount. The free redemption amount is not available for units acquired under the Standard series low-load deferred sales charge option or Preferred series 1 low-load deferred sales charge option. You will have to pay applicable short-term trading fees and any withholding taxes or other charges when you redeem units.

The free redemption amount is calculated as follows:

- Up to 10 per cent of the value of Standard series deferred sales charge option units or Preferred series 1 deferred sales charge option units allocated to each segregated fund as of Dec. 31 of the previous calendar year; plus
- Up to 10 per cent of any premium allocated to Standard series deferred sales charge option units or Preferred series 1 deferred sales charge option units in the current calendar year before we receive your redemption request

You cannot carry forward any unused portion of the free redemption amount to another year.

We may modify or discontinue the free redemption amount at any time upon notice to you.

Automatic redemptions

You may request an automatic partial redemption (APR) in your non-registered or TFSA policy if you have a minimum policy value of $7,500 or scheduled income redemptions in your RRIF, spousal RRIF, PRIF, LIF, RLIF or LRIF policy, subject to our then-current administrative rules and applicable legislation.

When the policy is non-registered or a TFSA, you may receive the proceeds of the APR or allocate the amount as a premium to another Canada Life policy.

If units are redeemed from the Standard series deferred sales charge option or Preferred series 1 deferred sales charge option, any amount in excess of the free redemption amount will be subject to a redemption charge. For more information, see *Free redemption amount* and *Redemption charges.*

If units are redeemed from the Standard series low-load deferred sales charge option or Preferred series 1 low-load deferred sales charge option, they will be subject to a redemption charge. For more information, see *Redemption charges.*

If you make a redemption from Preferred series 1 or Preferred partner series units or an eligible product which results in your total holdings falling below $500, 000 we may switch the remaining value of your Preferred series 1 or Preferred partner series units, held in all applicable policies, to Standard series for Preferred series 1 units and Partner series for Preferred partner series units of the same segregated fund and sales charge option. For more information see *Minimums to establish and maintain a policy.*

If units are redeemed from the Partner series or the Preferred partner series the accrued fees related to the AMS fee will be collected prior to the redemption being processed when the remaining market value of a segregated fund, in our sole discretion, will be less than the upcoming monthly fee.

APR and scheduled income redemption requests must be received at least 30 days prior to the requested start date. You can choose when to redeem in accordance with our then-current administrative rules, how much to redeem each time and the segregated fund units to be redeemed. Regular redemptions will eventually deplete the market value of your policy and each redemption will reduce your death benefit guarantee and maturity guarantee and may reduce your lifetime income amount. You may, subject to our then-current administrative rules and applicable legislation, change the amount or discontinue redemptions by advising us in writing.

If we cannot redeem sufficient units from a segregated fund or the segregated fund has been closed to redemptions under the suspension and postponement rights, we will redeem units in accordance with our then-current administrative rules. For more information, see *When the redemption or switch of your units may be delayed.*

If the selected redemption date falls on a non valuation day, the redemption will be processed on the valuation day immediately prior to the selected redemption date unless payments are set up for the first day of the year in which case we will process the redemption on the first valuation day of the year.

There may be income tax consequences when units are redeemed to make your automatic redemption. For more information, see *Income tax considerations.*

When you redeem segregated fund units, the value of those units is not guaranteed because it fluctuates with the market value of the assets in the segregated fund.

How to switch segregated fund units

Switches between series and segregated funds

If you hold units of one series and meet eligibility requirements you can switch to units of another series, provided the total value of all units are switched. If switching to either Partner series or Preferred partner series, you must complete the Partner Series fee agreement. For more information, please see *Partner Series fee agreement*

You can switch units of one segregated fund in your policy for units of another segregated fund, (without our prior approval), on any valuation day by sending appropriate documentation, acceptable to us, to our administrative office.

When you switch units, it is the oldest units of the segregated fund that are switched first. Units of the new segregated fund will be given the same issue date as the units of the old segregated fund for purposes of any guarantee. The value of the maturity and death benefit guarantees will not change when you switch units.

If units are switched from the Partner series or the Preferred partner series the accrued fees related to the AMS fee will be collected prior to a switch being processed when the remaining market value of a segregated fund, in our sole discretion, will be less than the upcoming monthly fee.

We will charge a short-term trading fee on any switch when the units to be redeemed have not been held in the segregated fund for the applicable period of time. For more information, see *Short-term trading fee.*

In a non-registered policy, a switch between different segregated funds is a taxable disposition and may result in a capital gain or capital loss. For more information, see *Income tax considerations.*

Switches within the same sales charge option will not incur a redemption charge and the new units will have the same redemption charge schedule as your old units (as applicable).

Switches between sales charge options

Switches are not permitted between:

- the Standard series deferred sales charge option and the Standard series low-load deferred sales charge option;
- the Preferred series 1 deferred sales charge option and the Preferred series 1 low-load deferred sales charge option;
- the Standard series front-end load sales charge option to Standard series deferred sales charge option or the Standard series low-load deferred sales charge option; or
- the Preferred series 1 front-end load sales charge option to Preferred series 1 deferred sales charge option or the Preferred series 1 low-load deferred sales charge option

Switches of units from the deferred sales charge options or low-load deferred sales charge options to a front-end load option prior to the expiry of the redemption charge schedule will be processed under our then-current administrative rules and you will incur applicable redemption charges. When units allocated to a policy are held under either the deferred sales charge option or the low-load deferred sales charge option and you switch the value of those units for units of a front-end load option, no front-end load fee will apply, subject to our then-current administrative rules.

For a non-registered policy, switches between sales charge options will not result in a capital gain or loss, unless you are switching between different funds or switching from a deferred sales charge option or a low-load deferred sales charge option prior to the expiry of the redemption charge schedule. For more information, see *Income tax considerations.*

Automatic switch program

Upon request and subject to our then-current administrative rules, you can establish a scheduled switch of a set amount from one segregated fund to another or multiple segregated funds in the policy. The switch will occur in the amount and frequency specified by you. If the day selected by you is not a valuation day, then the switch will occur on the next valuation day. When the day specified is a month-end date and this day is not a valuation day, the switch will occur on the valuation day immediately prior to the specified date.

You cannot set up an automatic switch between the different series.

Deferred sales charge units

If you switch units from the deferred sales charge option to a front-end load option prior to the expiry of the redemption charge schedule you will incur applicable redemption charges. However, each year, you may switch or redeem up to 10 per cent of your deferred sales charge units without having to pay a redemption charge. You may only switch those redemption free deferred sales charge units to front-end load sales charge option units. The scheduled switch must be from one segregated fund to another segregated fund in the policy. When the automatic switch program is initially established all available redemption free units will be switched on the first selected date specified by you, regardless of the frequency chosen.

When you switch units of a segregated fund under a deferred sales charge option (when any redemption charge schedule applicable to the units has expired) for units of the same segregated fund under a front-end load option, the switch occurs on a tax-deferred basis so you will not realize a capital gain or capital loss on the switch. For more information, see Income tax considerations.

Low-load deferred sales charge units and Front-end load units

Where you hold either low-load deferred sales charge units or front-end load units you can establish a scheduled switch of a set amount from one segregated fund to another or multiple segregated funds in the policy. However, the switch must stay within the existing sales charge option.

Please remember that the value of the segregated fund units held in your policy is only guaranteed at maturity and death. At other times, including when you switch segregated fund units, the value of those units is not guaranteed because it fluctuates with the market value of the underlying assets held in the segregated fund.

Under unusual circumstances, we may have to delay switches. For more information, please see *When the redemption or switch of your units may be delayed.*

Short-term trading

Using segregated funds to time the market or trading on a frequent basis is not consistent with a long-term investment approach based on financial planning principles. In order to limit such activities, we will charge a short-term trading fee of up to two percent of the amount switched or redeemed if you allocate premiums to a segregated fund for less than 90 consecutive days.

The short-term trading fee is retained in the segregated fund as compensation for the costs associated with the switch or redemption request.

We will take such additional actions as we consider appropriate to prevent further similar activity by you. These actions may include the delivery of a warning, placing you on a watch list to monitor activity, declining to accept allocations to and switch and redemption requests from the segregated funds, delay trades by one valuation day and suspend trading under the policy. We reserve the right to change our administrative practices or introduce new ones when we determine it is appropriate.

The fee is subject to change. This right is not affected by the fact that we may have waived it at any time previously. We reserve the right to increase the period of time a premium must remain in a segregated fund. We will give you written notice of our intent to increase the time period at least 60 days in advance. Our notice to you will specify the affected segregated fund(s) and the new period of time. We will send the notice to your most recent address on our records for this policy.

Rebalancing service

The rebalancing service provides automatic portfolio rebalancing. This service allows you to invest in any number of segregated funds and choose specific fund target allocations. We will monitor your segregated funds and rebalance them based on the first rebalancing date, frequency and rebalancing range percentage you choose.

Currently, there are no separate fees for the rebalancing service and no minimum amount is required other than our current product minimums.

You can request the rebalancing service either at the time you complete the application or add it at a later date. When you elect this service you are authorizing us to monitor your policy and to rebalance it at the intervals you select. We will add the rebalancing service to your policy when documentation, acceptable to us, has been received at our administrative office.

We will monitor and review the segregated funds to be rebalanced against the target allocations on the rebalance date and on every applicable anniversary of the rebalance date, based on the rebalance frequency (quarterly, semi-annually or annually) and the rebalancing range percentage you select. The rebalancing range percentage is between two and 10 percent.

On each rebalancing date, if the weightings attributable to the selected segregated funds differ by an amount greater than the rebalancing range percentage you selected, we will rebalance a segregated fund to a point within the range in accordance with our then-current administrative rules.

When a rebalancing occurs units of all eligible segregated funds held in your policy are taken into consideration.

Eligible segregated funds

Only rebalancing eligible segregated funds may be included in the rebalancing service. We can add or remove a segregated fund from the list of those available for the rebalancing service from time to time. If a segregated fund is not included or is removed from the list, you are not able to select it in your target allocation list. If we remove a segregated fund, it will not be included in your scheduled rebalancing and any subsequent rebalancing will occur in accordance with our then-current administrative guidelines. If no new premiums are permitted to be allocated to a segregated fund it will not be included in your scheduled rebalancing and any subsequent rebalancing will occur in accordance with our then-current administrative rules.

You may also hold units of other segregated funds within the same policy, and not have them included in the rebalancing service.

Changes to target fund allocation

You can change your target allocation, rebalancing ranges or rebalancing frequency by providing updated written instructions to us at our administrative office. You may also request a manual rebalancing of your segregated funds outside of the scheduled automatic rebalancing period at any time. A manual rebalancing may trigger short-term trading fees. For more information, see *Short-term trading.*

If you redeem all the units in a segregated fund that was part of your target allocation without providing us with amended instructions, we will rebalance the remaining segregated funds in your policy and proportionately reallocate the value of the units amongst the same segregated funds in your stated target allocation, including the redeemed segregated fund at the time of your next scheduled rebalancing.

We may terminate the rebalancing service at any time by providing notice to you.

In a non-registered policy, the rebalancing service will result in a capital gain or capital loss since the switch creates a taxable disposition. For more information, see *Income tax considerations.*

When the redemption or switch of your units may be delayed

Under unusual circumstances, we may have to delay redeeming units or postpone the date of a switch or payment.

This may happen if:

- Normal trading is suspended on a stock exchange where the segregated fund or underlying fund has a significant percentage of its assets, or
- We believe it’s not practical to dispose of investments held in a segregated fund or underlying fund or that it would be unfair to other policyowners

During such a delay, we will administer the redemption of units according to the applicable rules and laws and in a manner that we consider fair. We may have to wait until there are enough assets in the fund that can be easily converted to cash. If there are more requests to redeem units than we can accommodate, we will redeem as many units as we think is appropriate and allocate the proceeds proportionally among the investors who asked to redeem units. We will redeem any remaining units as soon as we can.

We may temporarily postpone redeeming units or the date a switch is processed, or payment is made if we have reasonable grounds, in our opinion, to believe you are being or have been financially exploited or we have concerns about your ability to make financial decisions. This delay is to provide us with the opportunity to review the situation. Where a hold is placed on the policy, we will provide notice to you as soon as possible.

Where an overpayment was paid from a policy that should not have been made, you are responsible for repaying the amount within 30 days of Canada Life sending you notice, or within an agreed upon period when provided in writing by Canada Life. If you do not make the repayment, redemptions will be delayed until the overpayment is recovered. You also authorize Canada Life to set-off such amount against any amounts owing under another policy with Canada Life, subject to applicable laws. This does not limit Canada Life's right to use other legal means to recover the overpayment.

When your policy matures

Policy maturity date

The policy maturity date is the date on which the policy matures and depends on the type of policy you have. For a policy which is a RRSP, spousal RRSP, LIRA, LRRSP or RLSP (subject to applicable pension legislation) payment will commence on a RRIF, spousal RRIF, PRIF, LIF or RLIF basis (as applicable) on or about the fourth last valuation day of the year you attain the maximum age, and the policy maturity date will be the policy maturity date for a RRIF, spousal RRIF, PRIF, LIF, RLIF or LRIF (as applicable). Maximum age means the date and the maximum age stipulated for a maturing RRSP as set out in the *Income Tax Act* (Canada) as amended from time to time. As of the date of this information folder, the date and the maximum age stipulated in the *Income Tax Act* (Canada) is Dec. 31 of the year the annuitant attains age 71.

The policy maturity date for a non-registered, a TFSA, a RRIF, spousal RRIF, PRIF, RLIF or LRIF policy is Dec. 31 of the year the annuitant attains age 105. If Dec. 31 is not a valuation day, then the policy maturity date will be the valuation day prior to Dec. 31 of that year.

Policies, other than a TFSA policy, issued to Quebec residents may be annuitized at age 80 or 90 as set out in the policy, but no maturity guarantee will apply. If no election is made, the policy will annuitize on Dec. 31 of the year the annuitant attains age 105, and a maturity guarantee may apply.

If the policy is a LIF, the policy maturity date is dependent on the jurisdiction that regulates it. When applicable pension legislation requires that you receive payments from a life annuity, the policy maturity date will be Dec. 31 of the year in which you attain the age stipulated in the applicable pension legislation. Otherwise, the policy maturity date will be Dec. 31 of the year in which you attain age 105. If Dec. 31 is not a valuation day, then the policy maturity date will be the valuation day prior to Dec. 31 of that year.

Over time, regulators may change the rules that govern LIFs.

We will change the terms of your LIF in accordance with any change in the regulations.

What happens to your policy on the policy maturity date

On the policy maturity date, unless you have provided alternative direction, we will redeem all segregated fund units allocated to your policy and annuity payments will commence. If your policy was a non-registered policy, you may have to pay tax as a result. For more information, see *Income tax considerations.*

Policies other than a TFSA

If you do not indicate a preference for another type of annuity offered by us, following the policy maturity date we will commence life annuity payments. The annuity payments are conditional on the annuitant being alive, and will be in equal annual or more frequent periodic amounts. We may require evidence that the annuitant is living when any payment becomes due.

Premiums will not be accepted under the policy after the annuity payments commence. The annuity payments will be paid for a guaranteed period of ten years and thereafter for the remaining life of the annuitant. If the annuitant dies within 10 years of when the annuity payments commenced, the remaining guaranteed payments will be paid to your beneficiary (subject to the right of your spouse, under pension legislation). If there is no beneficiary, we will make the payments to you (as the policyowner) or to your estate. You will have to pay tax on the annuity payments. Payments are not commutable (payments cannot be paid out in a lump sum) during the annuitant's lifetime.

When the policy is a RRIF, spousal RRIF or PRIF, and the lifetime income benefit option is in force on Dec. 31 of the year the annuitant attains age 105, additional options are available. Annuity payments may not commence unless you indicate otherwise. For more information, see *Options on the policy maturity date* in the *Lifetime income benefit option* section.

If on the issue date of the policy, the policyowner is not a resident of Quebec, the amount of the annuity payments will be determined using the annuity rate in effect and the age of the annuitant when the annuity payments commence.

If on the issue date of the policy, the policyowner is a resident of Quebec, the amount of the annuity payments will be determined by the greater of the annuity rate in effect and the age of the annuitant when the annuity payments commence and the rate established in the policy.

TFSA policies

If you do not indicate a preference for another type of annuity offered by us, following the policy maturity date we will commence annuity payments, which will be in equal monthly amounts for twelve (12) months. The annuity payments are conditional on the annuitant being alive. We may require evidence the annuitant is living when any payment becomes due.

Premiums will not be accepted under the policy after the annuity payments commence. When the annuitant dies, we will pay a death benefit in accordance with the contract provisions. While the annuitant is alive, the policy may be surrendered in accordance with the contract provisions.

If on the issue date of the policy, the policyowner is not a resident of Quebec, the amount of the annuity payments will be determined using the annuity rate for a one year term certain annuity in effect when the annuity payments commence.

If on the issue date of the policy, the policyowner is a resident of Quebec, the amount of the annuity payments will be determined by the greater of the annuity rate for a one year term certain annuity in effect when the annuity payments commence and the rate established in the policy.

Guaranteed benefits

The policy provides a choice of a 75/75 guarantee, 75/100 guarantee or 100/100 guarantee. The guarantee level applicable to your policy is the one you select in the application. Once the guarantee level is selected for a policy, it cannot be changed for that policy. Each guarantee level provides a death benefit guarantee and may provide a maturity guarantee.

These guarantees have specific dates upon which they become effective. Please read this section thoroughly so you understand your segregated fund guarantees.

Before the maturity guarantee comes into effect or the date we receive notification of the death of the last annuitant, the value of units of a segregated fund is not guaranteed because it fluctuates with the market value of the assets in the segregated fund.

This table summarizes the guarantees and reset options available and described in detail in this section.

<table>
<tr><th>Guaranteed benefit</th><th>75/75 guarantee policy</th><th>75/100 guarantee policy</th><th>100/100 guarantee policy</th></tr>
<tr><td>Maturity guarantee
(on the maturity guarantee date)</td><td colspan="2">No less than 75% of the premiums allocated to your policy.</td><td>No less than the sum of:
• 100% of the premiums allocated to your policy for 15 years or more; and
• 75% of the premiums allocated to your policy for less than 15 years</td></tr>
<tr><td>Death benefit guarantee
(on the death of the last annuitant)</td><td>No less than 75% of the premiums allocated to your policy.</td><td colspan="2">No less than the sum of:
• 100% of the premiums allocated to your policy when the annuitant is under age 80, and
• Increasing from 75 per cent to 100 per cent over a six year period on premiums allocated to your policy when the annuitant is age 80 and older</td></tr>
<tr><td colspan="4">Optional benefits</td></tr>
<tr><td>Reset options
(reset fee applicable)</td><td>Reset option is not available.</td><td>Death benefit guarantee reset option only (see each of the Fund Facts for the applicable reset fees).</td><td>Death benefit guarantee and/or maturity guarantee reset options (see each of the Fund Facts for the applicable reset fees).</td></tr>
</table>

All guarantees are reduced proportionally by any redemption.
For details see section, *Example of how redeeming units affects the guaranteed amount.*

A. 75/75 guarantee policy

A 75/75 guarantee policy provides a death benefit and maturity guarantee.

The following describes how we determine the maturity and death benefit guarantees.

The maturity and death benefits will not proportionally be reduced by the AMS fee for Partner series and Preferred partner series. The maturity and death benefits no longer apply upon termination of your policy. This can occur:

- Once your policy matures, or
- When you redeem all units allocated to the policy

Maturity guarantee

On the maturity guarantee date (as defined in the next section), we will pay you the greater of the:

- Market value; or
- 75 per cent of the premiums allocated to your policy reduced proportionally by any redemption from the policy ("maturity guarantee amount")

If on the maturity guarantee date the market value is less than the maturity guarantee amount we will top-up the market value to equal the applicable maturity guarantee amount. The top-up payment is allocated to your current segregated fund allocation proportionally as set out in our then-current administrative rules. If the market value is higher than the applicable maturity guarantee amount, we will not pay a top-up.

There may be tax consequences when a top-up is paid. For more information about tax implications, see *Income tax considerations.*

Maturity guarantee date

The maturity guarantee date is determined as follows:

A. When the policy is a RRSP and the valuation day when the first premium is allocated to the policy is:

  i. Prior to the annuitant attaining age 60, the maturity guarantee date will be Dec. 31 of the year the annuitant attains the maximum age (currently age 71); or

  ii. After the annuitant attains age 60, the maturity guarantee date is Dec. 31 of the year the annuitant attains age 80, subject to the policy commencing payment on a RRIF basis on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71)

B. When the policy is non-registered, a TFSA or a RRIF, the maturity guarantee date will be the same date as the policy maturity date (Dec. 31 of the year the annuitant turns 105)

C. If Dec. 31 is not a valuation day then the maturity guarantee date will be the valuation day prior to Dec. 31

Death benefit

We make a one-time, lump-sum payment of the death benefit if the last annuitant dies on or before the policy maturity date. We make this payment to the beneficiary of the policy (subject to the rights of your spouse under pension legislation). If there is no beneficiary, we make the payment to you (as the policyowner) or to your estate. This payment will be made following receipt by us of satisfactory proof of death of the last annuitant. Any automatic partial or scheduled income redemptions being made will cease.

Upon receipt of notification of the death of the last annuitant, on a valuation day prior to the cut-off time, we will determine the death benefit as of this day. If the notification is received after the cut-off time or the date of notification is not a valuation day, we will use the next valuation day. Where Partner series or Preferred partner series units are held accrued AMS fees will be collected at this time.

If on the day the death benefit is determined, the market value is less than the applicable death benefit guarantee amount (as defined in the next section), we will top-up the market value to equal the death benefit guarantee amount. This top-up payment will be allocated in accordance with our then-current administrative rules. If the market value is higher than the applicable death benefit guarantee amount, we will not pay a top-up.

Once the above determination has been completed, no further top-up payment under the 75/75 guarantee policy will be made.

The death benefit will be the value of the units allocated to your policy as of the valuation day we determine the death benefit plus any applicable top-up payments. Once we are in receipt of satisfactory proof of the last annuitant's death and the policyowner's estate or beneficiary's right to the proceeds, we will make the payment to the beneficiary or to the policyowner's estate, as applicable.

The death benefit may be adjusted for payments made between the date of death and the date our administrative office received notification of the death of the last annuitant.

There may be tax consequences when a top-up is paid. For more information about tax implications, see *Income tax considerations.*

No redemption charges are applied upon the payment of a death benefit.

Death benefit guarantee amount

The death benefit guarantee amount is 75 per cent of the premiums allocated to your policy reduced proportionally by any redemption from the policy.

B. 75/100 guarantee policy

A 75/100 guarantee policy provides a death benefit and maturity guarantee.

The following describes how we determine the maturity and death benefit guarantees.

The maturity and death benefits will not proportionally be reduced by the AMS fee for Partner series and Preferred partner series. The maturity and death benefits no longer apply upon termination of your policy. This can occur:

- Once your policy matures, or
- When you redeem all units allocated to the policy

Maturity guarantee

On the maturity guarantee date (as defined in the next section), we will pay your policy the greater of the:

- Market value; or
- 75 per cent of the premiums allocated to your policy reduced proportionally by any redemptions from the policy ("maturity guarantee amount")

If on the maturity guarantee date the market value is less than the maturity guarantee amount, we will top-up the market value to equal the applicable maturity guarantee amount. The top-up payment is allocated to your current segregated fund allocation proportionally as set out in our then-current administrative rules. If the market value is higher than the applicable maturity guarantee amount, we will not pay a top-up.

There may be tax consequences when a top-up is paid. For more information about tax implications, see *Income tax considerations.*

Maturity guarantee date

The maturity guarantee date is determined as follows:

A. When this policy is a RRSP and the valuation day when the first premium is allocated to the policy ("fund entry date") is:

   i. Prior to the annuitant attaining age 60, the maturity guarantee date will be Dec. 31 of the year the annuitant attains the maximum age (currently age 71); or

   ii. After the annuitant attains age 60, the maturity guarantee date is Dec. 31 of the year the annuitant attains age 80, subject to the policy commencing payment on a RRIF basis on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71)

B. When this policy is non-registered, a TFSA or a RRIF, the maturity guarantee date will be the same date as the policy maturity date (Dec. 31 of the year the annuitant turns 105)

C. If Dec. 31 is not a valuation day then the maturity guarantee date will be the valuation day prior to Dec. 31

Death benefit

We make a one-time, lump-sum payment of the death benefit if the last annuitant dies on or before the policy maturity date. We make this payment to the beneficiary of the policy (subject to the rights of your spouse under pension legislation). If there is no beneficiary, we make the payment to you (as the policyowner) or to your estate. This payment will be made upon receipt by us of satisfactory proof of death of the last annuitant. Any automatic partial or scheduled income redemptions being made will cease.

Upon receipt of notification of the death of the last annuitant, on a valuation day prior to the cut-off time, we will determine the death benefit as of this day. If the notification is received after the cut-off time or the date of notification is not a valuation day, we will use the next valuation day. Where Partner series or Preferred partner series units are held accrued AMS fees will be collected at this time.

If on the day the death benefit is determined, the market value is less than the applicable death benefit guarantee amount (as defined in the next section), we will top-up the market value to equal the death benefit guarantee amount. This top-up payment will be allocated in accordance with our then-current administrative rules. If the market value is higher than the applicable death benefit guarantee amount, we will not pay a top-up.

Once the determination has been completed, no further top-up payment under the 75/100 guarantee policy will be made.

The death benefit will be the value of the units allocated to your policy as of the valuation day we determine the death benefit plus any applicable top-up payments.

Once we are in receipt of satisfactory proof of the last annuitant's death and the policyowner's estate or beneficiary's right to the proceeds, we will make the payment to the beneficiary or to the policyowner's estate, as applicable.

The death benefit may be adjusted for payments made between the date of death and the date our administrative office received notification of the death of the last annuitant.

There may be tax consequences when a top-up is paid. For more information about tax implications, see *Income tax considerations.*

No redemption charges are applied upon the payment of a death benefit.

Death benefit guarantee amount

The death benefit guarantee amount varies according to the age of the annuitant at the time a premium is allocated to your policy and the length of time the premium remains in the policy.

The death benefit guarantee amount is the sum of:

- 100 per cent of the premiums allocated to your policy for all premium years when the annuitant is age 79 or younger at the start of the premium year, and
- The following percentages of the premiums allocated to your policy for each applicable premium year when the annuitant is age 80 or older at the start of the premium year:
  - 75 per cent during the premium year the premium is allocated
  - 80 per cent during the second premium year following the year the premium is allocated
  - 85 per cent during the third premium year following the year the premium is allocated
  - 90 per cent during the fourth premium year following the year the premium is allocated
  - 95 per cent during the fifth premium year following the year the premium is allocated
  - 100 per cent in sixth and subsequent premium years following the year the premium is allocated

The applicable death benefit guarantee amount will be proportionally reduced by redemptions from your policy.

"Premium year" is the 12-month period between each anniversary of the fund entry date. "Anniversary of the fund entry date" refers to the calendar anniversary of the fund entry date. If the calendar anniversary of the fund entry date is not a valuation day, then the anniversary of the fund entry date will be the next valuation day. "Fund entry date" refers to the valuation day when the first premium is allocated to the policy.

Death benefit guarantee reset option

This option is only available if the youngest annuitant is 68 years of age or younger at the time you complete the application. If you apply for the death benefit guarantee reset option on the application, you must pay a reset fee. This fee is known as the death benefit guarantee reset fee (see below). Once selected this option cannot be terminated.

Annual resets

If, on the anniversary of the fund entry date, the market value of the segregated fund units allocated to your policy is greater than the applicable death benefit guarantee amount, we will increase the death benefit guarantee amount to the applicable market value. This is called an annual reset of the death benefit guarantee amount. These annual resets will occur up to and including the last anniversary of the fund entry date prior to the annuitant attaining the age of 70. After this date, no further annual resets will occur.

If the market value of the segregated fund units allocated to your policy on the anniversary of the fund entry date is less than the applicable death benefit guarantee amount, the death benefit guarantee amount will not be changed.

Death benefit guarantee reset fee

The amount of the death benefit guarantee reset fee ("reset fee") varies for each segregated fund and from time to time. The reset fee for each of the segregated funds is shown on each of the Fund Facts.

The reset fee is a percentage of the market value of the segregated fund units allocated to your policy. We calculate the reset fee for each segregated fund and deduct the reset fee as one amount by redeeming units once a year on each anniversary of the fund entry date. The reset fee will cease after the last anniversary of the fund entry date prior to the annuitant turning age 70. Subject to our then-current administrative rules, you may elect which segregated fund the reset fee is to be charged to otherwise the reset fee will be taken from a fund based on our then-current administrative rules.

When the units redeemed are held under the deferred sales charge options or low-load deferred sales charge option, any applicable redemption fee will be charged. For a non-registered policy, any redemption, including the reset fee, may result in a taxable capital gain or loss. You are responsible for any income tax reporting and payments that may be required.

The reset fee will not proportionally reduce the maturity or death benefit guarantee amount.

We have the right to change the death benefit guarantee reset fee at any time. If we increase the reset fee by more than the greater of 0.50 per cent or 50 per cent of the current reset fee, it will be considered a fundamental change and you will have certain rights. If we increase the reset fee, we will notify you in writing before we make the change. For more information, see *Fundamental changes to the segregated funds.*

C. 100/100 guarantee policy

A 100/100 guarantee policy provides a death benefit guarantee and may provide a maturity guarantee.

A 100/100 guarantee policy is only available as a non-registered, TFSA or RRSP policy and only as a RRIF when the premium is received from a 100/100 guarantee RRSP policy.

For purpose of calculating the maturity guarantee amount and any applicable resets under the 100/100 guarantee policy, the maturity guarantee date will be the most recent maturity guarantee date as recorded at our administrative office.

The following describes how we determine the maturity and death benefit guarantees.

The maturity and death benefits will not proportionally be reduced by the AMS fee for Partner series and Preferred partner series. The maturity and death benefits no longer apply upon termination of your policy. This can occur:

- Once your policy matures, or
- When you redeem all units allocated to the policy

Maturity guarantee

A 100/100 guarantee policy may provide a maturity guarantee on the maturity guarantee date. If there is no maturity guarantee date, there is no maturity guarantee.

On the maturity guarantee date the maturity guarantee is the greater of the:

- Market value; or
- The maturity guarantee amount

Maturity guarantee amount

The maturity guarantee amount on the maturity guarantee date is the sum of:

A. 100 per cent of the premiums allocated to your policy for at least 15 years; and

B. 75 per cent of the premiums allocated to your policy for less than 15 years

The applicable maturity guarantee amount will be proportionally reduced by redemptions from your policy.

If on the maturity guarantee date the market value is less than the maturity guarantee amount, we will top-up the market value to equal the applicable maturity guarantee amount. The top-up payment is allocated to your current segregated fund allocation proportionally as set out in our then-current administrative rules. If the market value is higher than the applicable maturity guarantee amount, we will not pay a top-up.

There may be tax consequences when a top-up is paid. For more information about tax implications, see *Income tax considerations.*

Maturity guarantee date

A) Initial maturity guarantee date

You may select the initial maturity guarantee date provided:

- The date is at least 15 years after the fund entry date; and
- It does not exceed the policy maturity date

"Fund entry date" refers to the valuation day when the first premium is allocated to the policy. "Anniversary of the fund entry date" refers to the calendar anniversary of the fund entry date. If the calendar anniversary of the fund entry date is not a valuation day, then the anniversary of the fund entry date will be the next valuation day.

If an initial maturity guarantee date is not selected, the default initial maturity guarantee date will be 15 years from the fund entry date. If the initial maturity guarantee date is not a valuation day, then the date will be adjusted to the next valuation day following the maturity guarantee date.

When the policy is a RRSP and the initial maturity guarantee date is beyond the maximum age, the initial maturity guarantee date is subject to the policy commencing payment on a RRIF basis on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71).

If the policy maturity date is less than 15 years from the fund entry date, there will be no maturity guarantee.

You may change the initial maturity guarantee date by providing us with written notification to the administrative office, in a form acceptable to us.

The revised initial maturity guarantee date:

- Must be at least 15 years from the next anniversary of the fund entry date
- Can exceed the maximum age when the policy is a RRSP, subject to the policy commencing payment on a RRIF basis on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71)
- Cannot exceed the policy maturity date
- Complies with applicable legislation; and
- It has been at least 12 months since you selected it or last requested to change it

B) Subsequent maturity guarantee date

A subsequent maturity guarantee date is a maturity guarantee date that occurs after the initial maturity guarantee date.

You may, prior to or on a maturity guarantee date, select a subsequent maturity guarantee date provided:

- The date is at least 15 years from the next anniversary of the fund entry date that is on or after a maturity guarantee date
- It does not exceed the policy maturity date
- It complies with applicable legislation; and
- It has been at least 12 months since the last request to change it

When the policy is a RRSP and a subsequent maturity guarantee date is selected, which is beyond the maximum age, the subsequent maturity guarantee date is subject to the policy commencing payment on a RRIF basis on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71).

If the policy reaches a maturity guarantee date and the policy is a RRIF, you cannot select a subsequent maturity guarantee date and we will not establish one.

If no alternate direction is received prior to or on a maturity guarantee date, a subsequent maturity guarantee date will be established as follows:

I. When the policy is a RRSP or spousal RRSP, and:

- When the maturity guarantee date and the anniversary of the fund entry date are the same date, the subsequent maturity guarantee date will be 15 years from the maturity guarantee date; or
- When the maturity guarantee date is not the same date as the anniversary of the fund entry date, the subsequent maturity guarantee date will be 15 years from the next anniversary of the fund entry date that is after the maturity guarantee date

If the subsequent maturity guarantee date is beyond the maximum age, the subsequent maturity guarantee date is subject to the policy commencing payment on a RRIF or spousal RRIF basis (as applicable) on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71).

II. When the policy is a LRRSP, LIRA or RLSP and administered in accordance with applicable pension legislation:

- Which does not require you to receive payments from a life annuity at a specified age, and:
- When the maturity guarantee date and the anniversary of the fund entry date are the same date, the subsequent maturity guarantee date will be 15 years from the maturity guarantee date; or
- When the maturity guarantee date is not the same date as the anniversary of the fund entry date, the subsequent maturity guarantee date will be 15 years from the next anniversary of the fund entry date that is after the maturity guarantee date
- Which requires you to receive payments from a life annuity at a specified age, and:
- When the maturity guarantee date and the anniversary of the fund entry date are the same date and there are at least 15 years to the date when payments are required to commence from a life annuity, the subsequent maturity guarantee date will be 15 years from the maturity guarantee date; or
- When the maturity guarantee date is not the same date as the anniversary of the fund entry date and there are less than 15 years from the next anniversary of the fund entry date to the date when payments are required to commence from the life annuity, a subsequent maturity guarantee date will not be established and there will be no maturity guarantee

If the subsequent maturity guarantee date is beyond the maximum age, the subsequent maturity guarantee date is subject to the policy commencing payment on a PRIF, LIF, RLIF or LRIF basis (as applicable) on or about the fourth last valuation day of the year the annuitant attains the maximum age (currently age 71).

III. When the policy is non-registered or a TFSA and:

- When the maturity guarantee date and the anniversary of the fund entry date are the same date and there are at least 15 years to the policy maturity date, the subsequent maturity guarantee date will be 15 years from the maturity guarantee date
- When the maturity guarantee date is not the same date as the anniversary of the fund entry date, the subsequent maturity guarantee date will be 15 years from the next anniversary of the fund entry date that is after the maturity guarantee date

If there are fewer than 15 years to the policy maturity date, a subsequent maturity guarantee date will not be established and there will be no maturity guarantee.

Maturity guarantee reset option

If you apply for the maturity guarantee reset option on the application, you must pay a reset fee. This fee is known as the maturity guarantee reset fee (see below). Once selected this option cannot be terminated.

When the initial, revised initial or subsequent maturity guarantee date is exactly 15 years from the fund entry date or anniversary of the fund entry date, as applicable, on the maturity guarantee date if the market value of your policy is greater than the applicable maturity guarantee amount and there are 15 years or more to the policy maturity date, we will increase the maturity guarantee amount to equal the applicable market value. If the market value of your policy is less than the maturity guarantee amount, the maturity guarantee amount will not change.

When the policy is a RRIF and reaches a maturity guarantee date, a subsequent maturity guarantee date cannot and will not be established. The maturity guarantee reset fee will cease at this point.

Annual resets

When the initial maturity guarantee date is more than 15 years from the fund entry date or a revised initial or subsequent maturity guarantee date is more than 15 years from the next anniversary of the fund entry date, on each anniversary of the fund entry date if the market value of your policy is greater than the maturity guarantee amount, we will increase the applicable maturity guarantee amount to equal the market value. This is called an annual reset of the maturity guarantee amount. Annual resets only occur up to and including the last anniversary of the fund entry date that is 15 years prior to the maturity guarantee date.

If on the anniversary of the fund entry date the market value of your policy is less than the maturity guarantee amount, the applicable maturity guarantee amount will not change.

If the anniversary of the fund entry date is not a valuation day, the applicable processing will occur on the next valuation day.

Maturity guarantee reset fee

The amount of the maturity guarantee reset fee ("maturity reset fee") varies for each segregated fund and from time to time. The maturity reset fee for each of the segregated funds is shown on each of the Fund Facts.

The maturity reset fee is a percentage of the market value of the segregated fund units allocated to your policy. We calculate the maturity reset fee for each segregated fund and deduct the maturity reset fee as one amount by redeeming units once a year on the anniversary of the fund entry date until the last anniversary of the fund entry date prior to the maturity guarantee date. The maturity reset fee is payable throughout the guarantee period even if resets are not occurring.

Subject to our then-current administrative rules, you may elect which segregated fund the maturity reset fee is to be charged to otherwise the maturity reset fee will be taken from a segregated fund based on our then-current administrative rules.

When the units redeemed are held under the deferred sales charge option, or low-load deferred sales charge option, any applicable redemption charge will be charged. For a non-registered policy, these redemptions may result in a taxable capital gain or loss. You are responsible for any income tax reporting and payments that may be required.

The maturity reset fee will not proportionally reduce the maturity or death benefit guarantee amount.

We have the right to change the maturity reset fee at any time. If we increase the maturity reset fee by more than the greater of 0.50 per cent or 50 per cent of the current reset fee, it will be considered a fundamental change and you will have certain rights. For more information, see *Fundamental changes to the segregated funds.* If we increase the maturity reset fee, we will tell you in writing before we make the change.

For example:

Let's assume that you establish your non-registered 100/100 guarantee policy with a premium of $8,000 allocated to the Canadian Core Bond segregated fund on Feb. 5, 2026 and no further premiums are added. The annuitant of the policy is 40 years old. The date the first premium is allocated to the policy ("fund entry date") is Feb. 5, 2026. You select June 1, 2045 as the maturity guarantee date. You have also selected the maturity guarantee reset option.

On the first anniversary of the fund entry date, Feb. 5, 2027, the market value of the segregated fund units allocated to your policy is compared to the existing maturity guarantee amount and the guarantee is reset to the market value of your segregated fund units, as it is higher, as shown below.

Anniversary of the fund entry date	Market value on the anniversary of the fund entry date	Existing maturity guarantee amount	New maturity guarantee amount
Feb. 5, 2027	$8,500	$8,000	$8,500

On Feb. 5, 2027, we would also determine the amount of the maturity reset fee. The maturity reset fee is a percentage of the market value of the segregated fund units allocated to your policy. In this example, on Feb. 5, 2027, the market value of the Canadian Core Bond segregated fund units allocated to your policy was $8,500. Assume the maturity reset fee for the Canadian Core Bond segregated fund is 0.25 per cent. The maturity reset fee equals $21.25 ($8,500 x 0.25 per cent) and is deducted by redeeming units from the Canadian Core Bond segregated fund on the anniversary of the fund entry date. Throughout the rest of this example we will not show the calculation of the maturity reset fee on each anniversary of the fund entry date; however, the maturity reset fee is collected annually until the last anniversary of the fund entry date prior to the maturity guarantee date.

Continuing this example, on the next anniversary, Feb. 5, 2028, we find that the market value of the segregated fund units allocated to your policy is $8,300, which is lower than the existing maturity guarantee amount of $8,500. Since the maturity guarantee amount is higher than the market value, the maturity guarantee amount will not change and remains at $8,500.

This annual comparison continues as indicated in the table below.

Anniversary of the fund entry date	Market value on the anniversary of the fund entry date	Existing maturity guarantee amount	New maturity guarantee amount
Feb. 5, 2028	$8,300	$8,500	$8,500
Feb. 5, 2029	$8,900	$8,500	$8,900
Feb. 5, 2030	$9,400	$8,900	$9,400

On June 1, 2030, there are 15 years until the maturity guarantee date. This means that Feb. 5, 2030 was the last anniversary of the fund entry date when a reset could occur. During the next 15 year period, there will be no further resets of the maturity guarantee amount; however, the maturity reset fee is collected annually until the last anniversary of the fund entry date prior to the policy maturity date.

On June 1, 2045, the maturity guarantee date, the market value of the segregated fund units allocated to your policy is $12,500 and the maturity guarantee amount is $9,400. As the market value is greater than the maturity guarantee amount of $9,400, we would not top up the policy.

Alternatively, if on June 1, 2045, the market value was $8,800 and your maturity guarantee amount was $9,400, we would top up the policy to $9,400 by adding $600 to it.

A subsequent maturity guarantee date of Feb. 5, 2061 will be established unless you select a later date which does not exceed Dec. 31, 2091.

Continuing this example, we assume the maturity guarantee date will be Feb. 5, 2061. So, on the next anniversary of the fund entry date, Feb. 5, 2046, there are 15 years until the maturity guarantee date. This means that Feb. 5, 2046 is the last anniversary of the fund entry date when a reset could occur.

On the anniversary date, Feb. 5, 2046, the market value is $13,450, which is higher than the existing maturity guarantee amount of $9,400. Since the maturity guarantee amount is lower than the market value, the maturity guarantee amount will increase to $13,450.

During the 15 year period between Feb. 6, 2046 and the established maturity guarantee date, Feb. 5, 2061, no further resets of the maturity guarantee amount will be made. However, the maturity reset fee is collected annually until the last anniversary of the fund entry date prior to the maturity guarantee date.

On Feb. 5, 2061, the subsequent maturity guarantee date, we will once again compare the market value of the segregated fund units allocated to your policy to the maturity guarantee amount and will determine if a top-up or reset of the maturity guarantee amount is applicable.

Death benefit

We make a one-time, lump-sum payment of the death benefit if the last annuitant dies on or before the policy maturity date. We make this payment to the beneficiary of the policy (subject to the rights of your spouse, under pension legislation). If there is no beneficiary, we make the payment to you (as the policyowner) or to your estate. This payment will be made upon receipt by us of satisfactory proof of death of the last annuitant. Any automatic partial or scheduled income redemptions being made will cease.

Upon receipt of notification of the death of the last annuitant, on a valuation day prior to the cut-off time, we will determine the death benefit as of this day. If the notification is received after the cut-off time or the date of notification is not a valuation day, we will use the next valuation day. Where Partner series or Preferred partner series units are held accrued AMS fees will be collected at this time.

If on the day the death benefit is determined, the market value is less than the applicable death benefit guarantee amount (as defined in the next section), we will top-up the market value to equal the death benefit guarantee amount. This top-up payment will be allocated in accordance with our then-current administrative rules. If the market value is higher than the applicable death benefit guarantee amount, we will not pay a top-up.

Once the above determination has been completed, no further top-up payment under the 100/100 guarantee policy will be made.

The death benefit will be the value of the units allocated to your policy as of the valuation day we determine the death benefit plus any applicable top-up payment.

Once we are in receipt of satisfactory proof of the last annuitant's death and the policyowner's estate or beneficiary's right to the proceeds, we will make the payment to the beneficiary or to the policyowner's estate, as applicable.

The death benefit may be adjusted for payments made between the date of death and the date our administrative office received notification of the death of the last annuitant.

There may be tax consequences when a top-up is paid.

For more information about tax implications, see *Income tax considerations.*

No redemption charges are applied upon the payment of a death benefit.

Death benefit guarantee amount

The death benefit guarantee amount varies according to the age of the annuitant at the time a premium is allocated to your policy and the length of time the premium remains in the policy.

The death benefit guarantee amount is the sum of:

- 100 per cent of the premiums allocated to your policy for all premium years when the annuitant is age 79 or younger at the start of the premium year, and
- The following percentages of the premiums allocated to your policy for each applicable premium year when the annuitant is age 80 or older at the start of the premium year:
  - 75 per cent during the premium year the premium is allocated
  - 80 per cent during the second premium year following the year the premium is allocated
  - 85 per cent during the third premium year following the year the premium is allocated
  - 90 per cent during the fourth premium year following the year the premium is allocated
  - 95 per cent during the fifth premium year following the year the premium is allocated
  - 100 per cent in sixth and subsequent premium years following the year the premium is allocated

The applicable death benefit guarantee amount will be proportionally reduced by redemptions from your policy.

"Premium year" is the 12-month period between each anniversary of the fund entry date. "Anniversary of the fund entry date" refers to the calendar anniversary of the fund entry date. If the calendar anniversary of the fund entry date is not a valuation day, then the anniversary of the fund entry date will be the next valuation day. "Fund entry date" refers to the valuation day when the first premium is allocated to the policy.

Death benefit guarantee reset option

This option is only available if the youngest annuitant is 68 years of age or younger at the time you complete the application. If you apply for the death benefit guarantee reset option on the application, you must pay a reset fee. This fee is known as the death benefit guarantee reset fee (see below). Once selected this option cannot be terminated.

Annual resets

If, on the anniversary of the fund entry date, the market value of the segregated fund units allocated to your policy is greater than the applicable death benefit guarantee amount, we will increase the death benefit guarantee amount to the applicable market value. This is called an annual reset of the death benefit guarantee amount. These annual resets will occur up to and including the last anniversary of the fund entry date prior to the annuitant attaining the age of 70. After this date, no further annual resets will occur.

If the market value of the segregated fund units allocated to your policy on the anniversary of the fund entry date is less than the applicable death benefit guarantee amount, the death benefit guarantee amount will not be changed.

Death benefit guarantee reset fee

The amount of the death benefit guarantee reset fee (“reset fee”) varies for each segregated fund and from time to time. The reset fee for each of the segregated funds is shown on each Fund Facts.

The reset fee is a percentage of the market value of the segregated fund units allocated to your policy. We calculate the reset fee for each segregated fund and deduct the fee as one amount by redeeming units once a year on each anniversary of the fund entry date. The reset fee will cease after the last anniversary of the fund entry date prior to the annuitant turning age 70. Subject to our then-current administrative rules, you may elect which segregated fund the reset fee is to be charged to otherwise the reset fee will be taken from a fund based on our then-current administrative rules.

When the units redeemed are held under the deferred sales charge option or low-load deferred sales charge options, any applicable redemption charge will apply. For a non-registered policy, these redemptions may result in a taxable capital gain or loss. You are responsible for any income tax reporting and payments that may be required.

The reset fee will not proportionally reduce the death benefit or maturity guarantee amount.

We have the right to change the death benefit guarantee reset fee at any time. If we increase the reset fee by more than the greater of 0.50 per cent or 50 per cent of the current reset fee, it will be considered a fundamental change and you will have certain rights. If we increase the reset fee, we will tell you in writing before we make the change. For more information, see *Fundamental changes to the segregated funds.*

For example:

Let’s assume that you establish your 100/100 guarantee policy with a premium of $8,000 allocated to the Canadian Core Bond segregated fund on Feb. 5, 2026 and no further premiums are added. The annuitant of the policy is 40 years old. The date the first premium is allocated to the policy (“fund entry date”) is Feb. 5, 2026. You have selected the death benefit guarantee reset option.

On the first anniversary of the fund entry date, Feb. 5, 2027, the market value of your segregated fund units allocated to your policy is compared to the existing death benefit guarantee amount and the guarantee is reset to the market value of your segregated fund units, as it is higher, as shown below.

Anniversary of the fund entry date	Market value on the anniversary of the fund entry date	Existing death benefit guarantee amount	New death benefit guarantee amount
Feb. 5, 2027	$8,500	$8,000	$8,500

This annual comparison will occur up to and including the last anniversary of the fund entry date prior to the annuitant attaining the age of 70. After this date, no further annual resets will occur.

Also on Feb. 5, 2027, we will determine the amount of the annual death benefit guarantee reset fee. The death benefit guarantee reset fee is a percentage of the market value of the segregated fund units allocated to your policy. In this example, on Feb. 5, 2027 the market value of the Canadian Core Bond segregated fund units allocated to your policy was $8,500. Assume the death benefit guarantee reset fee for the Canadian Core Bond segregated fund is 0.15 per cent. The reset fee equals $12.75 ($8,500 x 0.15 per cent) and is deducted by redeeming units from the Canadian Core Bond segregated fund on the anniversary of the fund entry date. The reset fee is collected on each anniversary of the fund entry date up to and including the last anniversary of the fund entry date prior to the annuitant attaining the age of 70. After this date, no further annual resets will occur and the reset fee is not collected.

Example of how redeeming units affects the guaranteed amount

When you make a redemption from a segregated fund it affects the amounts that are used to calculate any applicable death benefit guarantee or maturity guarantee amounts. Any applicable reset fees under a 75/100 guarantee or 100/100 guarantee policy do not affect the death benefit guarantee or maturity guarantee amounts.

The following example explains how redemptions affect the guarantees under a 75/75 guarantee, 75/100 guarantee or 100/100 guarantee policy. It only applies to maturity and death benefit guarantee amounts when the policyowner has not paid any premiums to the policy on or after age 80 and has not selected a reset option under a 75/100 guarantee or 100/100 guarantee policy. For premiums paid on or after age 80, the death benefit guarantee amount percentage will change, see the *Death benefit guarantee* sections under 75/100 guarantee policy and 100/100 guarantee policy.

For example:

A 55 year old individual establishes a 75/100 guarantee policy on June 15, 2026 and has allocated a total of $5,000 in premiums to two segregated funds.

If the market value is less than the amount used to calculate maturity and death benefit guarantees

Assume the individual requests a redemption of $1,200 on July 31, 2027 when the market value of the segregated funds units are $4,800. The redemption will reduce the market value of the segregated funds by 25 per cent ($1,200 / $4,800). The maturity and death benefit guarantee amounts will be reduced proportionately by the same 25 per cent, as shown in the following table.

Amount used to calculate the guarantees (G)	Maturity guarantee amount (75% x G)	Death benefit guarantee amount (100% x G)	Current market value of those premiums (M)	Redemption amount (R)	Redemption amount as a percentage of the current market value (P = R/M)	G reduced by this amount, a proportional reduction (D = PxG)	New amount used to calculate the guarantees (NA = G-D)	New maturity guarantee amount (75% x NA)	New death benefit guarantee amount (100% x NA)
$5,000	$3,750	$5,000	$4,800	$1,200	25%	$1,250	$3,750	$2,812.50	$3,750

If the market value is greater than the amount used to calculate maturity and death benefit guarantees

Assume the individual requests a redemption of $1,200 on July 31, 2027 when the market value of the segregated funds units are $6,000. The redemption will reduce the market value of the segregated funds by 20 per cent ($1,200 / $6,000). The maturity and death benefit guarantee amounts will be reduced proportionately by the same 20 per cent, as shown in the following table.

Amount used to calculate the guarantees (G)	Maturity guarantee amount (75% x G)	Death benefit guarantee amount (100% x G)	Current market value of those premiums (M)	Redemption amount (R)	Redemption amount as a percentage of the current market value (P = R/M)	G reduced by this amount, a proportional reduction (D = PxG)	New amount used to calculate the guarantees (NA = G-D)	New maturity guarantee amount (75% x NA)	New death benefit guarantee amount (100% x NA)
$5,000	$3,750	$5,000	$6,000	$1,200	20%	$1,000	$4,000	$3,000	$4,000

Fees and expenses

This section explains the fees and expenses that you pay to us for managing the segregated fund and paying for the guarantees under the 75/75 guarantee, 75/100 guarantee and 100/100 guarantee levels (see *Fees and expenses paid from the segregated fund*).

What you have to pay depends on the features and options you select. First, you decide which level of guarantee – 75/75 guarantee, 75/100 guarantee or 100/100 guarantee – and which series and sales charge option is applicable depending on the amount of money you have invested. A minimum premium is required to establish and maintain a policy and the amounts depend on the series chosen. For more information, see *Minimums to establish and maintain a policy* and *Sales charge options.*

If you invest in the Standard series or Preferred series 1 the total cost of investing in a segregated fund (known as the management expense ratio or MER) is the sum of the investment management fee and the expenses to operate the segregated fund and includes a trailing commission payable to your financial security advisor. This is further explained below, but in order to find out how much each segregated fund will cost you to hold in your policy, you want to look at the MER for the series and sales charge option you have selected.

If you invest in the Partner series or Preferred partner series the MER is the total of the investment management fee, operating expenses and does not include an amount payable to your financial security advisor for advisory and management services. You are responsible for paying the advisory and management service (AMS) fee. For more information on the AMS fee, see *Fees and expenses paid directly by you.*

If you decide to add one or more reset options to your 75/100 guarantee or 100/100 guarantee policy, you will have to pay an additional fee on top of the MER. You will need to add that fee to the MER to get the cost of holding that segregated fund with those options.

- For example, if you selected the 100/100 guarantee policy and hold Standard series front-end load option units of the XYZ Fund you would pay a MER of 2.75 per cent.
    - If you only wanted the maturity guarantee reset option, you would be charged an additional fee of 0.05 per cent, resulting in a total annual cost of 2.80 per cent (2.75 per cent plus 0.05 per cent).
    - If you only wanted the death benefit guarantee reset option, you would be charged an additional fee of 0.11 per cent, resulting in a total annual cost of 2.86 per cent (2.75 per cent plus 0.11 per cent).
    - If you wanted both the maturity guarantee reset option and the death benefit guarantee reset option, you would be charged a fee for each option, as shown above, resulting in a total cost of 2.91 per cent (2.75 per cent plus 0.05 per cent plus 0.11 per cent).

If your policy has the lifetime income benefit option, you will have to pay an additional fee on top of the MER and the maturity guarantee reset option fee and the death benefit guarantee reset option fee (if added). This lifetime income benefit fee is further explained in the *Lifetime income benefit fee* section.

The MERs for each applicable segregated fund available under each of the 75/75 guarantee, 75/100 guarantee and 100/100 guarantee policies, and the fees for the reset and lifetime income benefit options for each applicable segregated fund are shown on the *Fund Facts*, which are available in the *Fund Facts* booklet.

You may also have to pay other fees and expenses as described under Fees and expenses paid directly by you, but these are generally costs that depend on actions taken by you, and will not be imposed unless you do something specific (for example, redeeming your deferred sales charge option units prematurely), or request a specific additional service (for example, extra copies of annual statements).

Fees and expenses paid from the segregated fund

Management expense ratio (MER)

For Standard series and Preferred series 1 the MER is made up of the investment management fee, operating expenses (see below), and includes a trailing commission.

For Partner series and Preferred partner series the MER is made up of the investment management fee, and operating expenses but does not include any amounts payable to your financial security advisor for advisory and management services. You are responsible for paying the advisory and management service (AMS) fee. For more information on the AMS fee, see *Fees and expenses paid directly by you.*

The MER is expressed as an annualized percentage of the segregated fund's average net assets for the year. You do not directly pay the MER. The management fee and operating expenses are paid from the segregated fund before the unit value is calculated.

The updated MER is published in the annual audited financial statements, which are available on or about April 30 of each year. For more information on how to obtain these statements, see *Requests for annual audited and semi-annual unaudited financial statements and other documents.* The MER of a fund is subject to change without prior notice.

The current MER for a segregated fund available under each of the series and sales charge options of the 75/75 guarantee, 75/100 guarantee and 100/100 guarantee policies are shown on the *Fund Facts*, which are available in the *Fund Facts* booklet.

Investment management fees

The investment management fee varies depending on the guarantee level, series, sales charge option and segregated fund you select. The investment management fee, plus applicable taxes, is charged in respect of each class and is deducted on a valuation day and paid to us before we calculate a unit value. The current investment management fees for each of the segregated funds available under each guarantee level, series and sales charge option are shown in the Investment management fees, which are available in the *Fund Facts* booklet.

When a segregated fund invests in an underlying fund, there is no duplication of investment management fees, which are available in the *Fund Facts* booklet.

Operating expenses

In addition to investment management fees, we charge other expenses to the segregated funds. These expenses are for the operation of the segregated funds and your policy. They include legal, safekeeping, brokerage, administration and audit fees and taxes. These expenses vary from year to year and from fund to fund. We deduct these other expenses, plus applicable taxes, from each segregated fund on a valuation day, before we calculate the unit values for the segregated fund.

The death benefit guarantee reset fee and maturity guarantee reset fee are separate fees, and are not included in the investment management fees and other expenses. For more information, see *Death benefit guarantee reset fee and maturity guarantee reset fee* below.

When a segregated fund invests in an underlying fund, there is no duplication of administration fees. See *Fund of funds* below.

Fund of funds

When a segregated fund invests in an underlying fund, the fees and expenses payable in connection with the management, operation and administration of the underlying fund are in addition to those payable by the segregated fund. As a result, the segregated fund pays its own fees and expenses and its proportionate share of the fees and expenses of the underlying fund, and accordingly this is reflected in the management expense ratio reported by the segregated fund. However, there will be no duplication in the payment of investment management fees in such circumstances.

Fees and expenses paid directly by you

You may have to pay the following fees and expenses directly when you invest in a policy:

- Advisory and management service (AMS) fee
- Front-end load fee
- Redemption charges
- Death benefit guarantee reset fee
- Maturity guarantee reset fee
- Charge for duplicate RRSP receipts and tax slips
- Policy research fee
- Short-term trading fee
- Returned cheque fee
- Charge for unscheduled redemptions and cheque processing and courier fee
- Fees for additional services

You do not pay for the following services:

- Establishing a policy
- Pre-authorized chequing
- Automatic partial redemption and scheduled income redemptions (other than any applicable redemption charges)

We reserve the right to charge fees for additional services from time to time and to change the amount or the nature of the fees and expenses paid by you at any time.

Advisory and management service (AMS) fee

For each segregated fund you hold in either Partner series or Preferred partner series, you will pay an AMS fee plus applicable taxes. The AMS fee is calculated and accrued daily and is equal to the market value of the units of each segregated fund held in your policy multiplied by the AMS fee for that day plus applicable taxes.

The AMS fee and taxes will be charged by redeeming units from each segregated fund on or after month end. The accrued fees will also be collected prior to a switch being completed or a redemption, automatic partial redemption or scheduled income redemption being processed when the remaining market value of a segregated fund, in our sole discretion, will be less than the upcoming monthly fee. The AMS fee will be redeemed and shown as a separate amount on your statement.

The AMS fee is currently paid monthly. We have the right to change the frequency the AMS fee is paid by giving you notice.

The AMS fee is negotiated between you and your financial security advisor subject to our then-current administrative rules. The AMS fee must be between 0.50 per cent and 1.25 per cent and will be set out in the Partner Series fee agreement. The AMS fee will not proportionally reduce the maturity or death benefit guarantee amounts.

Front-end load fee under the front-end load options

If you allocate premiums to a series with a front-end load option units, the front-end load fee you agree to pay will be deducted and paid to your financial security advisor's firm. The remaining amount will be allocated to the segregated fund(s) you select.

When you invest in the Standard series front-end load option, or the Partner series front-end load option, the maximum front-end load fee payable by you is five per cent for all segregated funds.

When you invest in the Preferred series 1 front-end load option, or the Preferred partner series front-end load option, the maximum front-end load fee payable by you is two per cent for all segregated funds.

If you redeem units, you will not pay a redemption charge. You may have to pay a short-term trading fee and any applicable withholding taxes and other charges.

We may change the maximum front-end load fee on 60 days notice to you.

For more information about redeeming units, see *How to redeem segregated fund units.*

Redemption charges

If you hold either the Standard series or Preferred series 1 deferred sales charge options or the Standard series or Preferred series 1 low-load deferred sales charge options, you will pay a redemption charge as set out below if you redeem units.

We do not deduct redemption charges when we pay the death benefit.

We have the right to change the amount or the nature of the redemption charge at any time. We will notify you in writing before we increase the charge.

For more information about redeeming units, see *How to redeem segregated fund units.*

When you redeem segregated fund units on any day that is not the maturity date or date of payment of the death benefit, the value of those units is not guaranteed because it fluctuates with the market value of the assets in the segregated fund.

Deferred sales charge option

You will pay a redemption charge to us as set out in this section if you redeem units held under a deferred sales charge option, including redemptions for the maturity guarantee reset fee, death benefit guarantee reset fee and short-term trading fee, within seven years of the date that you originally allocated the premium to a deferred sales charge option. You may also have to pay a short-term trading fee and any applicable withholding taxes or other charges.

The redemption charge is a percentage of the amount redeemed and declines over time as indicated in the table below.

Length of time after you allocate a premium to any deferred sales charge option units	Redemption charge as a percentage of the amount redeemed from any deferred sales charge option units
Less than 1 year	5.5%
1 year to less than 2 years	5.0%
2 years to less than 3 years	5.0%
3 years to less than 4 years	4.0%
4 years to less than 5 years	4.0%
5 years to less than 6 years	3.0%
6 years to less than 7 years	2.0%
Thereafter	0.0%

Low-load deferred sales charge option

You will pay a redemption charge to us as set out in this section if you redeem units held under a low-load deferred sales charge option, including redemptions for the maturity guarantee reset fee, death benefit guarantee reset fee and short-term trading fee, within three years of the date that you originally allocated the premium to a low-load deferred sales charge option. You may also have to pay a short-term trading fee and any applicable withholding taxes or other charges.

The redemption charge is a percentage of the amount redeemed and declines over time as indicated in the table below.

Length of time after you allocate a premium to any low-load deferred sales charge option units	Redemption charge as a percentage of the amount redeemed from any low-load deferred sales charge option units
Less than 1 year	3.0%
1 year to less than 2 years	2.5%
2 years to less than 3 years	2.0%
Thereafter	0.0%

Charge for duplicate RRSP receipts or tax slips

We will give you one duplicate RRSP receipt or tax slip for the current tax year without charge, if you ask for it. We may charge $25 for duplicates of RRSP receipts and tax slips issued in all prior years.

Policy research fee

We may charge up to $15 per year of policy history or $35 per hour for researching your policy. You will be advised of the fee before the research begins.

Short-term trading fee

We will charge a short-term trading fee of up to two per cent of the amount switched or redeemed if you invest in a segregated fund for less than the applicable period. The fee is subject to change. For more information, see *Short-term trading.*

Returned cheque fee

If your scheduled pre-authorized cheque is returned by your financial institution, we may charge up to $20 to cover the cost of our processing.

Charge for unscheduled redemptions and cheque processing and courier fee

You are allowed two unscheduled redemptions each calendar year without an administrative fee. For any additional requests within the same calendar year, we may charge up to $50 per redemption request. If you request a cheque be sent by courier, we may charge a courier fee for this service.

Death benefit guarantee reset fee and maturity guarantee reset fee

Death benefit guarantee reset fee and maturity guarantee reset fee – If you choose to add the death benefit guarantee reset option under a 75/100 guarantee or 100/100 guarantee policy or the maturity guarantee reset option under a 100/100 guarantee policy, you must pay an additional fee for each option. The death benefit guarantee reset fee and maturity guarantee reset fee is not included in the management expense ratio.

The applicable option must be selected on the application and once selected cannot be terminated.

The amount of the reset fee under the applicable reset option varies for each segregated fund and from time to time. The applicable death benefit guarantee reset fee and maturity guarantee reset fee for each of the segregated funds is shown on the *Fund Facts*, which is available in the *Fund Facts* booklet. For more details about each option, see *Death benefit guarantee reset option and Maturity guarantee reset option* in the *Guaranteed benefits* section.

Any applicable redemption charges will apply on the redemption of units to pay the maturity guarantee and death benefit guarantee reset fees. The reset fees will not proportionally reduce any maturity or death benefit guarantees. See *Maturity guarantee reset option* and *Death benefit guarantee reset option for details.*

We have the right to change the death benefit guarantee reset fee and maturity guarantee reset fee at any time. If we increase them, we will notify you in writing 60 days before we make the change. For more information, see *Fundamental changes to the segregated funds.*

Income tax considerations

This is a general summary of income tax considerations for Canadian residents. It is based on the current *Income Tax Act* (Canada) and does not take into account any provincial or territorial tax laws. The summary does not include all possible tax considerations.

The taxation of certain benefits available with these annuities is not certain at this time. You are responsible for the proper reporting of all taxable income and payment of all related taxes. This summary is not intended to offer you tax advice. You should consult your tax advisor about the tax treatment of these annuities for your personal circumstances.

Tax status of the segregated funds

The segregated funds are not separate legal entities. They fall under the definition of segregated funds in the *Income Tax Act* (Canada). For tax purposes, our segregated funds are deemed to be trusts that are separate entities from Canada Life. The assets of the segregated funds are kept separate from our general assets.

The segregated funds generally do not pay income tax because all their income and realized capital gains and losses are allocated to you and other segregated fund policyowners each year.

The segregated funds may have foreign tax withheld on income that is earned on their foreign investments.

Non-registered policies

For income tax purposes, you must report the following investment income that is allocated to you by the segregated funds:

- Interest
- Dividends from taxable Canadian companies
- Taxable capital gains or losses
- Foreign source income
- Any other investment income

When you redeem units of a segregated fund you may realize a capital gain or a capital loss, which you must report. Your capital gain (loss) generally will be the amount by which the value of the redemption exceeds (is less than) the adjusted cost base of the units being redeemed.

When you switch units of a segregated fund for units of the same segregated fund under the corresponding sales charge option (for example, Standard series front-end load units for Preferred series 1 front-end load units), the switch occurs on a tax-deferred basis so you will not realize a capital gain or capital loss on the switch.

When you switch units of a segregated fund under a deferred sales charge option or low-load deferred sales charge option (when any redemption charge schedule applicable to the units has expired) for units of the same segregated fund under a front-end load option, the switch occurs on a tax-deferred basis so you will not realize a capital gain or capital loss on the switch.

Any switch, other than as described above, including switching units between different funds may result in a capital gain or loss.

Death of the annuitant or transfer of the ownership of the policy may create a taxable disposition that will result in a capital gain or loss.

Once a year, we will send you tax reporting slips that show the amounts that must be reported in your tax return for income tax purposes. These slips will include the capital gain or loss on any redemption or switch of your units as well as allocations from the segregated funds. The slips will also include any capital gain or loss arising from the rebalancing of fund assets, fund discontinuance or underlying fund substitution.

The tax information we provide to you will not include adjustments for transactions that generate superficial losses under the *Income Tax Act* (Canada). To avoid the creation of superficial losses that will be denied for income tax purposes, we recommend that you avoid allocating premiums to a fund within 30 days before or after redeeming units of that same fund if the redemption produced a capital loss.

Any premiums allocated to a non-registered policy are not tax deductible.

The amount of the investment management fee rebate you receive will be included in the amounts reported on your tax slip(s) for the year.

The tax treatment of a top-up maturity or death benefit guarantee payment is not certain at this time. We recommend that you contact your tax advisor regarding the tax treatment of top-up payments in your particular circumstances.

We will report top-up guarantee payments based on our understanding of the tax legislation and the Canada Revenue Agency (CRA) assessing practices at that time. You are responsible for any tax liabilities arising from any change in law, interpretation or CRA assessing practices.

The CRA released a written interpretation indicating that fees paid by a client related to segregated fund policies, including the AMS fee, are not tax deductible under 20(1)(bb) of the *Income Tax Act*. We recommend obtaining professional tax advice in respect to your tax position.

The taxation of Life Income Benefits payments is not certain at this time. We recommend that you contact your tax advisor regarding the tax treatment of such payments. We will report Life Income Benefits payments based on our understanding of the tax legislation and the CRA assessing practices at that time.

A non-registered policy may or may not be a qualified investment to be held in a trusteed registered plan. Before applying for a policy to be held in a trusteed registered plan you should consult with your tax advisor.

RRSPs

An RRSP is registered under the *Income Tax Act* (Canada) as a registered retirement savings plan. Generally contributions you make to your RRSP are tax deductible up to an annual limit.

You do not have to report investment income that is allocated to you by the segregated funds in the year that the income is earned. Fees paid directly by you related to registered policies are not deductible. However, for income tax purposes, you must report any redemption you make, unless the money is transferred directly to another plan registered under the *Income Tax Act* (Canada). Tax will be withheld on redemptions.

Payment of top-up maturity or death benefit guarantees into the policy are not taxable. All amounts withdrawn from the registered policy are taxable except withdrawals under the Home Buyers' Plan or Lifelong Learning Plan.

RRIFs

A RRIF is registered under the *Income Tax Act* (Canada) as a registered retirement income fund. You can only open a RRIF with money transferred from another plan registered under the *Income Tax Act* (Canada).

You do not have to report investment income that is allocated to you by the segregated funds in the year that it's earned. Fees paid directly by you related to registered policies are not deductible. However, all redemptions are taxable each year and tax may be withheld on these payments. Current income tax regulations require us to withhold income tax on any amount redeemed that is in excess of the required minimum amount.

Generally transfers you make to a RRIF are not tax deductible.

Payment of top-up maturity or death benefit guarantees into the policy is not taxable. All amounts withdrawn from the registered policy are taxable.

LIB payments from the registered policy are taxable.

TFSAs

When you open a TFSA, if you ask us to file an election to register your policy, it will be registered as a tax-free savings account under the *Income Tax Act* (Canada).

Any premiums allocated to a TFSA policy are not tax deductible and you can make contributions up to an annual limit as determined under the *Income Tax Act* (Canada).

Generally you do not have to report investment income allocated to you by the segregated funds and redemptions and switches you make are generally not taxable. Fees paid directly by you related to registered policies are not deductible.

Amounts redeemed from a TFSA policy may not be eligible to be re-contributed until the following calendar year.

Generally, payment of top-up, maturity or death benefit guarantees into the policy are not taxable. The policy ceases to be a TFSA on the death of the last policyowner (referred to in the *Income Tax Act* (Canada) as the holder). In certain circumstances, an amount paid to a beneficiary may be taxable.

Administration of the segregated funds

Keeping you informed

A statement will be sent to you no less than annually and it will give you the following information:

- The total number of units, unit value and market value for all the segregated funds allocated to your policy on the statement date
- Dollar amount and number of units transferred to and from each segregated fund for the statement period
- Any redemption charges for any deferred sales charge options or low-load deferred sales charge options units for the statement period
- Any fees for additional options that you have selected
- Any additional units allocated under the investment management fee rebate program during the statement period
- Any redemptions made to pay the AMS fee for the statement period

Any written communications will be sent to the most recent address in our records for this policy. Please tell us promptly if your address changes.

Please review your statement and advise your financial security advisor or our administrative office, at the address located on the inside front cover, if they do not agree with your records. Any discrepancies must be reported in writing within 60 days of the statement date.

We may change the frequency or content of your statement, subject to applicable laws.

Requests for Fund Facts, financial statements and other documents

The most current *Fund Facts* for each segregated fund is available upon request to Canada Life at the address on the inside front cover or by visiting our website at **canadalife.com**.

The most recent annual audited financial statements and semi-annual unaudited financial statements for the segregated funds are available upon request from your financial security advisor or by writing to our administrative office, at the address located on the inside front cover.

The annual audited financial statements for the current financial year will be made available to you after April 30 and the semi-annual unaudited financial statements will be available after Sept. 30 of each year.

In addition, copies of the simplified prospectus, annual information form, unaudited semi-annual financial statements, audited financial statements, and interim and annual management reports of fund performance of the underlying funds are available upon request from your financial security advisor.

Material contracts

In the last two years, we haven't entered or amended any contracts that are material to policyowners who invest in our segregated funds.

There are no material facts of which Canada Life is aware which relate to the policy that are not disclosed in this information folder.

The auditor of the segregated funds is Deloitte & Touche LLP. Deloitte is located at 2300-360 Main St, Winnipeg MB R3C 3Z3.

Material transactions

In the last three years, no director, senior officer, associate or affiliate of Canada Life has had any material interest, direct or indirect, in any transaction or in any proposed transaction that would materially affect the segregated funds.

We don't retain a principal broker for buying or selling the underlying investments in the segregated funds. We usually arrange these investment transactions through many different brokerage houses.

Assuris protection

Assuris is a not-for-profit corporation, funded by the life insurance industry that protects Canadian policyowners against loss of benefits due to the financial failure of a member company. Details about the extent of Assuris's protection are available at **assuris.ca** or in its brochure, which can be obtained from your financial security advisor, life insurance company, **info@assuris.ca** or by calling 1-866-878-1225.

Investment policy

We have established investment and lending policies in relation to our segregated funds that we believe are reasonable and prudent. The investment policies comply with:

- Federal and provincial pension benefit standards laws
- Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds, as amended, and approved by the CLHIA Board of Directors and the Canadian Council of Insurance Regulators
- Autorité des marches financiers (AMF) Guideline on Individual Variable Insurance Contracts Relating to Segregated Funds, as amended, and approved by Autorité des marches financiers
- all as may be amended from time to time.

The segregated funds may achieve their investment objective and/or investment strategies by either investing directly in securities or in units of one or more underlying funds that have a similar investment objective of the segregated fund. If the underlying fund is a mutual fund, the fundamental investment objective of the mutual fund cannot be changed unless approved by the mutual fund unitholders. If such a change is approved, we will give you notice of the change.

The earnings of each segregated fund are reinvested in the same segregated fund according to its investment objectives and investment strategies. The segregated funds may lend securities in a manner that is prudent, in the interest of the segregated fund, and in compliance with any applicable laws.

The Real Estate segregated fund is the only segregated fund that may borrow to buy assets. For more information, see the *Real Estate Fund*. The other segregated funds do not borrow money except for the purpose of funding redemptions (and only to the extent permitted by applicable regulatory requirements).

For a summary of a segregated fund's investment policy, see the *Fund Facts* booklet. A detailed description of each segregated fund's investment objective and strategies is available upon request from Canada Life at the address on the inside of the front cover. In addition, you may request information about the underlying funds, including audited financial statements of the underlying funds by contacting your financial security advisor.

The sum of a segregated fund's exposure to any one corporate entity will not exceed 10 per cent of the value of the segregated fund at the time of investment. Furthermore, the percentage of securities of any one corporate issue that may be acquired is limited to 10 per cent of each class of securities of any one corporate issuer, except for any corporate issue of, or a government security guaranteed by, any government authority in Canada. This limitation will not apply to a segregated fund that is an index fund. We will not, in respect of any segregated fund, invest in securities of an issuer for the purpose of exercising control or management.

Performance of segregated funds and underlying funds

The investment objectives and investment strategies of the segregated funds are in many cases similar to the objectives and strategies of a corresponding fund sponsored by the investment managers. Although the funds have these similar objectives and strategies, and in most cases will have investment portfolios managed by the same individuals, the performance of the underlying funds and the corresponding segregated funds will not be identical.

Investment managers

We have the right to appoint or change investment managers to provide investment management, investment advisory and related services necessary for the investment and management of segregated fund property. We will advise you of any change to an investment manager.

We currently retain the following investment managers for our segregated funds.

- **AGF Investments Inc.** located at PO Box 50, Suite 3100 Toronto-Dominion Bank Tower, Toronto ON M5K 1E9
- **Beutel, Goodman & Company Ltd.** located at 2000-20 Eglinton Ave W, PO Box 2005, Toronto ON M4R 1K8
- **Canada Life Asset Management**, formerly Canada Life Investments, located at 1-6 Lombard St, London England EC3V 9JU
  Canada Life Asset Management is the brand for investment management activities undertaken by Canada Life Asset Management Limited.
- **Canada Life Investment Management Ltd.** located at 255 Dufferin Ave, London ON N6A 4K1
  Canada Life Investment Management Ltd. manages their asset allocation mandates through Portfolio Solutions Group, a division of Canada Life Investment Management Ltd.
- **Connor, Clark & Lunn Investment Management Ltd.** located at 2300-1111 West Georgia St., Vancouver BC V6E 4M3
- **Fidelity Investments Canada ULC** located at 200-483 Bay St, Toronto ON, M5G 2N7
- **GWL Realty Advisors Inc**. located at 830-33 Yonge St, Toronto ON M5E 1G4
- **Irish Life Investment Managers Limited** located at Beresford Court, Beresford Place, Dublin 1 Ireland
- **JPMorgan Asset Management (Canada) Inc**. located at Royal Bank Plaza, South Tower, 1800-200 Bay St, Toronto ON M5J 2J2 or 600-999 Hastings St W, Vancouver BC V6C 2W2
- **Mackenzie Investments** located at 180 Queen St W, Toronto ON M5V 3K1
  Mackenzie Investments is the brand for investment management activities undertaken by Mackenzie Financial Corporation.
- **Putnam Investments Canada ULC** c/o Legal Department located at 180 Queen St W, Toronto ON M5V 3K1 or One Post Office Square, Boston MA 02109
- **Setanta Asset Management Limited** located at College Park House, 20 Nassau St, Dublin 2 Ireland

GWL Realty Advisors Inc., Setanta Asset Management Ltd., Canada Life Asset Management, Irish Life Investment Managers Limited and Canada Life Investment Management Ltd. are wholly owned subsidiaries of The Canada Life Assurance Company. The Canada Life Assurance Company and Mackenzie Investments are members of the Power Corporation group of companies. Franklin Resources Inc. (Franklin) and Great-West Lifeco Inc. (Lifeco), Canada Life's parent company, have entered into arrangements in which Lifeco will derive an economic benefit from allocating assets over a period of time to be managed by Franklin's investment managers (including Brandywine Global Investment Management, and Putnam Investments Canada ULC) and has agreed to support the availability of Franklin and its affiliates' products and services on enterprise platforms. Policies are in place to avoid any potential conflicts of interest.

Investment manager review process

We offer a wide range of segregated funds diversified by investment management style, asset class, market capitalization and region. Canada Life employs a disciplined review process to select and monitor its investment managers.

Through our investment manager review process, we regularly review and monitor investment managers against our standards and established expectations.

These reviews include:

- A review of performance – absolute and risk-adjusted – and the consistency of this performance relative to their peer group and benchmark.
- A review of the investment policies and procedures of the fund to ensure that the fund objectives, risk tolerances and investment constraints are being met.
- A review of qualitative factors such as portfolio turnover and consistency of style.

Our review is carried out by our investment manager review committee. This committee consists of members of senior management with a wide variety of business and investment qualifications.

Lifetime income benefit option

The lifetime income benefit (LIB) option is an optional benefit that guarantees a lifetime income amount (LIA) you are to receive, subject to certain limitations. Any redemption exceeding the lifetime income amount or RRIF minimum, if higher, will be considered an excess redemption and will lower your future lifetime income amount.

We no longer allow this option to be added to new or existing segregated fund policies, and additional contributions are no longer accepted to policies with the LIB option. For existing policies with the lifetime income benefit option, you're still entitled to all the guarantees, bonuses, core features and benefits of the LIB option. If you remove the lifetime income benefit option, you will not be able to select it again. Additional contributions to policies with the lifetime income benefit option are no longer accepted. Further details are available from your advisor.

You may defer making redemptions under a RRSP policy until age 71 at which time the market value must be converted to a RRIF policy. Where your RRSP, Spousal RRSP or LIRA (where administered under Saskatchewan pension legislation) policy includes the lifetime income benefit when the RRIF, Spousal RRIF or PRIF payments commence the lifetime income benefit provisions, as set out in your original contract, will not change. All lifetime income benefit provisions will continue to apply to the RRIF, Spousal RRIF or PRIF policy as applicable. The lifetime income benefit fee for each segregated fund is set out as an annual percentage on each Fund Facts which can be found in the Fund Facts booklet.

The maturity guarantee and death benefit guarantees associated with the 75/75 guarantee policy and 75/100 guarantee policy are independent of the income guarantees and features associated with the lifetime income benefit option. Any increase in the lifetime income amount as a result of a reset or bonus does not have any impact on the underlying maturity and death benefit guarantees or market value of the policy. All redemptions (scheduled, unscheduled and excess) will proportionally reduce the value of the maturity benefit and death benefit guarantees.

Policies with the lifetime income benefit option may only select from eligible segregated funds (LIB eligible funds). Your advisor can provide the list of LIB eligible funds.

Lifetime income withdrawal base

The lifetime income withdrawal base is only used for the purpose of determining the lifetime income amount and the lifetime income benefit monthly charge. The lifetime income withdrawal base has no market value and does not apply to maturity or death benefit guarantees. It can only decrease when an excess redemption is made, or the primary annuitant dies.

Naming a beneficiary while the lifetime income benefit option is in effect

You may designate one or more beneficiaries to receive any death benefit payable under the policy. You may revoke or change the designation prior to the policy maturity date, subject to applicable law. If the designation is irrevocable you cannot revoke or change it or exercise certain other specific rights without the written consent of the irrevocable beneficiary in accordance with applicable law.

While the lifetime income benefit option is in force, you should consider carefully who you wish to name as beneficiary.

The individual named will have an effect on how the policy is administered on the death of an annuitant. Ask your advisor for details.

The following table sets out who should be named as beneficiary for each policy type and income election:

Type of policy	Single-life income election	Joint-life income election
RRIF / Spousal RRIF	You may name any individual(s) including your spouse as beneficiary to receive any applicable death benefit. If you name your spouse as the sole beneficiary, you may also name him or her as the successor annuitant.	For the LIB option benefits to continue to your spouse, you must name the joint life, who must be your spouse at the time you elect the lifetime income benefit option, as the sole beneficiary and successor annuitant in which case the contract will continue after your death. If the joint life is not named as your sole beneficiary and successor annuitant or is not your spouse at the time of your death, the contract will not continue after your death. For further details, see the Death of an annuitant and/or joint life while the joint-life income election under the lifetime income benefit option is in effect section. If you remove the joint life, you may name any individual as a beneficiary to receive any applicable death benefit.
PRIF	You may name any individual to receive any applicable death benefit. Currently under applicable pension legislation – if your spouse is alive at the time of your death and has not waived his or her right, the death benefit will be paid to your spouse and not to your beneficiary.	Not applicable

Death of an annuitant under the lifetime income benefit option is in effect

You or your representative must advise us of the death of an annuitant as soon as reasonably possible following the date of the death. All redemptions and LIB payments, if applicable, will cease on the date we receive notification at our administrative office of the last annuitant's death. Any payments made after the date of death and before the date of notification will be deducted by us from any further redemptions, from any applicable death benefit or must be returned to us, all in accordance with our then-current administrative rules.

The impact on the policy is dependent on the elections made and if payments have commenced. Details can be found in your in original contract or speak with your advisor.

Excess redemptions

Excess redemptions will have a negative impact on your lifetime income benefit values. It is important that you understand how the lifetime income benefit values are affected by an excess redemption. When the lifetime income benefit is in effect and an excess redemption occurs, you are no longer eligible for any further bonuses.

An excess redemption is any amount that is withdrawn that is above the annual guaranteed income amount. The annual guaranteed income amount is the greater of the lifetime income amount or the RRIF minimum amount, as applicable. Excess redemptions are also subject to applicable redemption charges, short-term trading fees and withholding taxes.

When the policy is a RRIF or PRIF and the legislated RRIF minimum amount exceeds the lifetime income amount, the legislated minimum will be payable. In this situation, withdrawal of the RRIF minimum is not treated as an excess redemption.

For example:

A 61 year old individual holds a non-registered 75/75 guarantee policy with the lifetime income benefit option and the single-life income election on May 1, 2026 with a premium of $100,000 and takes income immediately. Based on the income percentage at age 61 of 3.80 per cent, his lifetime income amount is $3,800.

In this example, an excess redemption would be created if any amount over $3,800 is redeemed in 2026.

The impact of excess redemptions

On the valuation day an excess redemption occurs, the following adjustments are made:

- The lifetime income withdrawal base is immediately reduced:
  - To the market value after the excess redemption if the market value before the excess redemption was less than the lifetime income withdrawal base
  - Dollar for dollar by the gross redemption amount if the market value before the excess redemption was greater than or equal to the lifetime income withdrawal base
  - The lifetime income amount is re-calculated, and the new lifetime income amount comes into effect immediately
  - The new lifetime income amount is determined using the lesser of the lifetime income withdrawal base, as determined above, and the market value immediately after the excess redemption multiplied by the applicable income percentage
- The base for income bonus is changed to zero, effective immediately
- If an excess redemption results in the lifetime income withdrawal base equaling zero, the lifetime income benefit option is terminated

Any scheduled or unscheduled redemptions processed in the remainder of the calendar year will also be deemed an excess redemption. If you do not want multiple excess redemptions, you must notify us to stop any scheduled redemptions for the remainder of the calendar year.

For example:

Excess redemption when the market value is less than the lifetime income withdrawal base at the time of the excess redemption

A 61 year old individual holds a non-registered 75/75 guarantee policy with the lifetime income benefit option and the single-life income election on May 1, 2026 with a premium of $100,000. Based on the income percentage at age 61 of 3.80 per cent, the lifetime income amount is $3,800. An excess redemption would be created if any amount over $3,800 is redeemed prior to Dec. 31, 2026.

- A $10,000 unscheduled redemption occurs on Nov. 1, 2026, which exceeds the lifetime income amount of $3,800 creating an excess redemption
- The lifetime income withdrawal base is immediately reduced to match the market value of $86,000 after the excess redemption has occurred, since the market value immediately prior to the request was less than the lifetime income withdrawal base
- The lifetime income amount is immediately recalculated to $3,268 ($86,000 x 3.80 per cent)

Lifetime income benefit payments

If the market value is reduced to zero, lifetime income benefit payments (LIB payments) begin provided the reduction in market value is not a result of an excess redemption. LIB payments are equal to the lifetime income amount in place at the time. If the lifetime income withdrawal base decreases to zero due to an excess redemption, the lifetime income benefit option is terminated, and LIB payments will not be made. If the policy is a RRIF, spousal RRIF or PRIF and the RRIF minimum amount is greater than the lifetime income amount in the year the market value becomes zero, a LIB payment may be made in that calendar year but will not exceed the then-current LIA. Additional details will be provided if LIB payments are to be made.

Options on the policy maturity date

When the policy is a RRIF, spousal RRIF or PRIF and the lifetime income benefit option is effective on the policy maturity date, we will determine if a top-up payment is required as set out in the maturity guarantee section of the 75/75 guarantee policy or 75/100 guarantee policy sections, as applicable. If a top-up payment is made, it will not increase the lifetime income withdrawal base or base for income bonus and is not treated as an additional LIB premium. The redemption of any top-up payment is treated like any other redemption under the lifetime income benefit option.

As of the policy maturity date when LIB payments are not being received, you have three options:

- Surrender the policy and receive its market value
- Annuitize any remaining market value
- Allow the policy to remain in force and, if applicable, continue to receive your scheduled lifetime income amount

If no instructions are received, the lifetime income benefit option stays in effect and will continue past the policy maturity date until the earliest of the date we receive at our administrative office notification of the death of the last annuitant or termination of the option by the policyowner. The monthly lifetime income benefit fee will continue.

If the lifetime income benefit option continues past the policy maturity date, on the policy maturity date the applicable death benefit guarantee amount under the 75/75 guarantee policy or 75/100 guarantee policy sections, as applicable, are set to zero.

We will continue to determine if any bonus and automatic reset is applicable while the annuitant is alive.

If the lifetime income benefit option is terminated after the policy maturity date, the policy must be surrendered.

Lifetime income benefit fee

The lifetime income benefit option is subject to a monthly fee paid directly by you. The amount you pay varies depending on the LIB eligible funds you have selected in your policy as well as previously LIB eligible funds you continue to hold. The monthly fee is calculated as a percentage of the lifetime income withdrawal base and is not charged as a percentage of the market value. This amount is charged as a single, consolidated fee.

The lifetime income benefit fee for each segregated fund is set out as an annual percentage on each of the applicable Fund Facts which can be found in the Fund Facts booklet.

The LIB monthly charge is in addition to the other fees associated with the segregated fund policy. The LIB monthly charge is collected by redeeming segregated fund units allocated to the policy.

You can select the LIB eligible fund from which the LIB monthly charge is to be redeemed. If an election is not made or the LIB eligible fund you selected does not have sufficient value, we will redeem units from a LIB eligible fund in accordance with our then-current administrative rules. When the units redeemed are from the deferred sales charge option, any applicable redemption charge will not be collected.

The LIB monthly charge is not considered a redemption for purposes of determining if an excess redemption is made in a calendar year **and will not proportionally reduce any applicable maturity or death benefit guarantees**.

The monthly fee will be calculated and deducted on the first valuation day after each monthly anniversary of the LIB effective date.

The monthly fee is calculated as follows:

- The proportional percentage allocation of each LIB fund's market value to the total market value of the policy is calculated and the applicable market value percentage for each LIB fund is then multiplied by the lifetime income benefit fee for the applicable LIB eligible fund and divided by 12
- The results are summed and multiplied by the lifetime income withdrawal base

Any applicable redemption charge will not apply to units redeemed to pay the lifetime income benefit fee and will not proportionally reduce any applicable maturity or death benefit guarantees.

We can change the lifetime income benefit fee at any time. If we increase the fee by more than the greater of 0.50 per cent or 50 per cent of the current fee , it will be considered a fundamental change and you will have certain rights as set out in the section *Fundamental changes to the segregated funds*. If we increase fee, we will tell you in writing 60 days before we make the change.

For example, If the LIB fee is 0.85 per cent and the market value of the policy is $50,000 but the lifetime income withdrawal base is $100,000, the lifetime income benefit fee is calculated as 0.85 per cent times $100,000 and then divided by 12. In this example, the lifetime income benefit fee would be $70.83.

Termination of the lifetime income benefit option

You can terminate the lifetime income benefit option at any time by providing us with a written request, but if you terminate it, you will not be able to re-select it.

On receipt of the written request, benefits of the lifetime income benefit option will cease immediately. The lifetime income benefit monthly fee ceases but no fees previously collected will be refunded. The policy remains in force unless you provide written notice to surrender the policy.

The lifetime income benefit option cannot be terminated if LIB payments are being received.

Fund risks

Segregated funds hold different types of investments – stocks, bonds, other funds, cash – depending on what the fund invests in. Different kinds of segregated funds are subject to different risks. The value of the segregated funds will vary from day to day because of various factors including changes in interest rates, economic conditions, and market and company news. As a result, the market value of segregated fund units may go up and down and the value of your investment may have increased or decreased when you redeem it.

Although you can never eliminate risk, you can reduce the risk through diversification, which means investing in a variety of different investments. You can achieve diversification by investing in an asset allocation fund or investing in several segregated funds with different risks.

In certain circumstances, a segregated fund may suspend redemptions. For more information, see *When the redemption or switch of your units may be delayed.*

On each *Fund Facts* page the section *Who is this fund for*? can help you decide if the segregated fund might be suitable for you.

As well, on each Fund Facts page the segregated funds have been rated as to how risky they are – low to high – in the section *How risky is it?* This rating, where applicable, has been determined using historical volatility risk as measured by the standard deviation of fund performance. Other types of risk, both measurable and non-measurable, may exist and a segregated fund's historical volatility may not capture all potential risks or be indicative of its future volatility. For example, a fund with a low risk level would be more appropriate for an investor with a short time horizon and seeking capital preservation. A fund with a high-risk level would be more appropriate for a long-term investor seeking to grow their capital and can tolerate the up and downs of the stock market. These ratings are meant as a general guide only. You should consult with your financial security advisor who can help you determine your appropriate risk level.

Below is a summary of the various types of risks that may apply to the segregated funds.

Commodity risk

A segregated fund that invests in energy and natural resource companies, such as oil, gas, mining and gold, will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time which will have a direct or indirect impact on the market value of the segregated fund. In addition, new discoveries or changes in government regulations can affect the price of commodities.

Company risk

Equity investments such as stocks and investments in trusts, and fixed income investments, such as bonds, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company, the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. As a segregated fund's net asset value is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the segregated fund and, therefore, the value of your investment.

Concentration risk

A segregated fund may invest a large portion of its net assets in a small number of issuers, in a particular industry or geographic region, or may use a specific investment style, such as growth or value. A relatively high concentration of assets in or exposure to a single issuer, or a small number of issuers, may reduce the diversification of a segregated fund and may result in increased volatility in the segregated fund's market value. Issuer concentration may also increase the illiquidity of the segregated fund's portfolio if there is a shortage of buyers willing to purchase those securities.

A segregated fund concentrates on a style or sectors either to provide investors with more certainty about how the segregated fund will be invested or the style of the segregated fund or because a portfolio manager believes that specialization increases the potential for good returns. If the issuer, industry or region faces difficult economic times or if the investment approach used by such segregated fund is out of favour, the segregated fund will likely lose more than it would if it diversified its investments or style. If a segregated fund's investment objectives or strategies require concentration, it may continue to suffer poor returns over a prolonged period of time.

Convertible Securities risk

Convertible securities are fixed income securities, preferred stocks or other securities that are convertible into common stock or other securities. The market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the issuer's common stock when that price approaches or exceeds the convertible security's "conversion price". The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock.

In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its senior debt obligations.

Credit risk

An issuer of a bond or other fixed-income investment may not be able to pay interest or to repay the principal at maturity. The risk of such a failure to pay is known as credit risk. Some issuers have more credit risk than others. Issuers with higher credit risk typically pay higher interest rates than interest rates paid by issuers with lower credit risk because higher credit risk companies expose investors to a greater risk of loss. Credit risk can increase or decline during the term of the fixed-income investment.

Companies, governments and other entities that borrow money, and the debt securities they issue, are assigned credit ratings by specialized rating agencies. The ratings are a measure of credit risk and take into account many factors, including the value of any collateral underlying a fixed income investment. Credit ratings are one factor used by the portfolio managers of the segregated funds in making investment decisions. A credit rating may prove to be wrong, which can lead to unanticipated losses on fixed-income investments. If the market perceives that a credit risk rating is too high, then the value of the investments may decrease substantially. A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value.

The difference in interest rates between an issuer's bond and a government-issued bond that are otherwise identical in all respects except for the credit rating is known as the credit spread. Credit spreads widen if the market determines that a higher return is necessary to compensate for the increased risk of owning a particular fixed-income investment. An increase in credit spread after the purchase of a fixed-income investment decreases the market value of that investment.

Cyber security risk

Due to the widespread use of technology in the course of business, the segregated funds have become potentially more susceptible to operational risks through breaches in cyber security. Cyber security is the risk of harm, loss, and liability resulting from a failure, disruption or breach of an organization's information technology systems. It refers to both intentional and unintentional events that may cause a segregated fund to lose proprietary information, suffer data corruption, or lose operational capacity, which could cause us and/or a segregated fund to experience disruptions to business operations; reputational damage; difficulties with a segregated fund's ability to calculate its net asset value; or incur regulatory penalties, additional compliance costs associated with corrective measures, and/or financial loss. Cyber attacks may involve unauthorized access to a segregated fund's digital information systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, or corrupting data, equipment or systems. Other cyber attacks do not require unauthorized access, such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber attacks on a segregated fund's third-party services providers (e.g., administrators, transfer agents, custodians and sub-advisors) or issuers that a segregated fund invests in can also subject a segregated fund to many of the same risks associated with direct cyber attacks. Similar to operational risks in general, we have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will be successful.

Derivative risk

A derivative security is a financial instrument that derives its value from an underlying security, such as a stock or bond, a currency, or a financial market. It is not a direct investment in the underlying security itself. They are used to reduce the risks associated with changes in interest rates and exchange rates and to enhance returns. The segregated funds can invest in derivatives for hedging purposes and for non-hedging purposes. “Hedging” means a transaction or a series of transactions designed to offset or reduce a specific risk associated with specific positions held by the Funds in certain investments or groups of investments. When derivatives are used for a non-hedging purpose, it allows the segregated funds to invest indirectly in the returns of one or more stocks or an entire index without actually buying the stock(s) or all the stocks in the index.

The segregated funds that invest directly in an underlying fund don’t invest directly in derivatives. Most of the other segregated funds may use derivatives for hedging or reducing risk. They may also use derivative instruments for non-hedging purposes in order to invest indirectly in securities or financial markets and gain exposure to other currencies provided that the use of derivative instruments is consistent with the segregated fund’s investment objectives. The segregated funds may not use derivatives for leverage.

The use of derivatives carries several risks:

- When a derivative is used for hedging, if a market assumption is wrong, the segregated fund could forego gains that it would have attained if it had not entered into the hedging arrangement. In addition, there is no guarantee that hedging will be effective and that it will eliminate or reduce a loss or exposure that it was designed to hedge.
- When a derivative is used for non-hedging purposes, it may expose the segregated fund to volatility and other risks that affect the underlying market. Any losses that the segregated fund may incur as a result of investing in derivatives may be greater than if the segregated fund had invested in the underlying security itself.
- A segregated fund may be unable to “close out” a position to achieve the intended result if trading in a derivative is halted, or if the market for it becomes illiquid or is subject to trading limits.
- The price of a derivative may not accurately reflect the value of the underlying security.
- Many types of derivative contracts involve contracts with third parties. The other party to a derivative contract may not be able to honour its obligations under the contract. In addition, if money has been deposited with a derivatives dealer, the dealer may go bankrupt and money deposited with the dealer will be lost.
- The Income Tax Act (Canada), or its interpretations, may change the tax treatment of derivatives.

Emerging markets risk

Emerging markets have the risks described under foreign currency risk and foreign investment risk. In addition, they are more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of a segregated fund’s investments. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability of information relating to a segregated fund’s investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed resulting in delays and the incurring of additional costs to execute trades of securities.

Environmental, Social and Governance (ESG) Investment Objective or Strategy risk

Some funds (or Underlying Funds) have fundamental investment objectives based on one or more ESG criteria or use ESG criteria as a specific component of their investment strategies. Employing ESG criteria in a fund’s investment objectives or strategies may limit the types and number of investment opportunities available and, as a result, a segregated fund or an underlying fund, may perform differently compared to similar funds that do not focus on ESG or do not include the same ESG criteria in their investment objectives or as a specific investment strategy. Funds (or Underlying Funds) that apply ESG criteria in their investment process may forgo opportunities to buy certain securities when it might otherwise be economically advantageous to do so, or may sell securities for ESG reasons when it might otherwise be economically disadvantageous to do so. Furthermore, ESG criteria are subject to uncertainty, discretion and subjective application. The determination of the ESG criteria to apply, and the ESG assessment of a company, industry or underlying fund by the portfolio management team may differ from the criteria or assessment applied by a different team. As a result, the companies or underlying Funds selected by the portfolio management team may not always reflect positive ESG characteristics or the ESG values of any particular investor.

In addition, ESG assessments (particularly with respect to climate change) may be in whole or in part based on data that is limited in quantity, unavailable or inconsistent across sectors, and/or that is subject to numerous assumptions, estimates and judgements. This data may be subject to change or prove to be inaccurate or incorrect. ESG data is constantly changing and evolving as standards of disclosures and data, regulatory frameworks and industry practice evolve.

ETF risk

A segregated fund may invest in a fund whose securities are listed for trading on an exchange (an "exchange traded fund" or "ETF"). The investments of ETFs may include stocks, bonds, commodities and other financial instruments. Some ETFs, known as index participation units ("IPUs") attempt to replicate the performance of a widely-quoted market index. Not all ETFs are IPUs. While investment in an ETF generally presents the same risks as investment in a conventional segregated fund that has the same investment objectives and strategies, it also carries the following additional risks, which do not apply to investment in conventional segregated funds:

- The performance of an ETF may be significantly different from the performance of the index, assets, or financial measure that the ETF is seeking to track. There are several reasons that this might occur, including that ETF securities may trade at a premium or a discount to their value or that ETFs may employ complex strategies, such as leverage, making tracking with accuracy difficult.
- An active trading market for ETF securities may fail to develop or fail to be maintained.
- There is no assurance that the ETF will continue to meet the listing requirements of the exchange on which its securities are listed for trading.

Also, commissions may apply to the purchase or sale of ETF securities. Therefore, investment in ETF securities may produce a return that is different than the change in the NAV of these securities.

Extreme market disruptions risk

Certain extreme events, such as natural disasters, war, civil unrest, terrorist attacks, and public health crises like epidemics, pandemics or outbreaks of new infectious diseases or viruses (including, the novel coronavirus (COVID-19)) can materially and adversely affect a segregated fund's business, financial condition, liquidity or results of operations. Future infectious disease outbreaks could also have similar unforeseen consequences. If an extreme event, such as a pandemic, persists for a prolonged period of time, it may be difficult to predict how a fund may be affected. Public health crises, such as the COVID-19 outbreak, may heighten other pre-existing political, social, and economic risks in certain countries or globally. The funds may invest in certain geographic areas that have experienced acts of terrorism, territorial disputes, historical conflicts, etc., which have resulted in strained international relations. Specifically, as a result of the conflict between Russia and Ukraine, certain countries have implemented economic sanctions against Russia and may impose further restrictive actions against governmental or other entities in Russia or elsewhere. These situations may cause uncertainty and have an adverse impact on the markets and economies on such geographic areas. All such extreme events may impact the segregated fund performance.

Foreign currency risk

The net asset value of a segregated fund is calculated in Canadian dollars. Foreign investments are generally purchased in currencies other than Canadian dollars. When foreign investments are purchased in a currency other than Canadian dollars, the value of those foreign investments will be affected by changes in the value of the Canadian dollar relative to those currencies. If the Canadian dollar rises in value relative to the other currency but the market value of the foreign investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the Canadian dollar has fallen relative to the other currency, the value of an investment in Canadian dollars will have increased.

Foreign investment risk

The value of an investment in a foreign issuer depends on general global economic factors and specific economic and political factors relating to the country or countries in which the foreign issuer operates. The regulatory environment in some foreign countries may be less stringent than in Canada, including legal and financial reporting requirements. There may also be less information available with respect to foreign companies. Further, the legal systems of some foreign countries may not adequately protect investor rights and laws may change without sufficient warning. Stock markets in foreign countries may have lower trading volumes and sharper price corrections. Some or all of these factors could make a foreign investment more volatile than a Canadian investment.

Certain countries might be politically and socially unstable, and religious and regional tensions may exist. Other risks could include nationalization, expropriation, or the imposition of currency controls. In foreign economies, instability, government influence, a lack of publicly available information, and trade tariffs or protectionist measures with trading partners may also lead to market inefficiency, volatility and pricing anomalies. Consequently, due to these risks and others, the value of foreign investments and the value of the funds that hold them may change rapidly and to a greater degree than Canadian investments.

High Yield Securities risk

Funds may be subject to high yield securities risk. High yield securities risk is the risk that securities that are rated below investment grade or are unrated at the time of purchase may be more volatile than higher-rated securities of similar maturity. High yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high yield securities are often issued by smaller, less creditworthy companies or by highly leveraged firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Index risk

When any segregated fund indicates “index” in the fund name it is considered an index fund. The investment decisions for such a segregated fund are based on the segregated fund’s permitted index. As such, the segregated fund may have more of the net assets of the segregated fund invested in one or more issuers than is usually permitted for segregated funds. There is a possibility that this could lead to less diversification within the segregated fund, and in turn less liquidity of the segregated fund. It could also mean that the segregated fund volatility is higher than that of a more diversified segregated fund, while still tracking the volatility of the permitted index.

Interest rate risk

Interest rates have an impact on a whole range of investments. Interest rates impact the cost of borrowing for governments, companies and individuals, which in turn impacts overall economic activity. Interest rates may rise during the term of a fixed income investment. If interest rates rise, then the value of that fixed income investment generally will fall. Conversely, if interest rates fall, the value of the investment will generally increase.

Fixed income securities with longer terms-to-maturity are generally more sensitive to interest rate changes than those of shorter terms-to-maturity. The cash flow from debt instruments with variable rates may change as interest rates fluctuate.

Changing interest rates can also indirectly impact the share prices of equity securities. When interest rates are high, it may cost a company more to fund its operations or pay down existing debt. This can impair a company’s profitability and earnings growth potential, which can negatively impact its share price. Conversely, lower interest rates can make financing for a company cheaper, which can potentially increase its earnings growth potential. Interest rates can also impact the demand for goods and services that a company provides by impacting overall economic activity.

Large transaction risk

The units of the segregated funds may be held by large investors, including other segregated funds who participate in an asset allocation program or model program. Independently or collectively, these other parties may from time-to-time purchase, hold or redeem a large proportion of the units of the segregated funds. A large purchase of a segregated fund’s units will create a relatively large cash position in that segregated fund’s portfolio. The presence of this cash position may adversely impact the performance of the segregated fund, and the investment of this cash position may result in significant incremental trading costs, which are borne by all of the investors in the segregated fund.

Conversely, a large redemption of a segregated fund’s units may require the segregated fund to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and result in significant incremental trading costs, which are borne by all of the investors in the segregated fund, and it may accelerate or increase the payment of capital gains distributions.

Legislation risk

Securities, tax, or other regulators may make changes to legislation, rules, and administrative practice. Those changes may have an adverse impact on the market value of a segregated fund.

Liquidity risk

Liquidity refers to the speed and ease with which an investment can be sold and converted into cash at a reasonable price. If an investment cannot be quickly or easily sold, it is considered illiquid. A segregated fund may hold up to 10% of its net assets in illiquid investments.

A security is illiquid if it cannot be sold at an amount that at least approximates the amount at which the security is valued. Illiquidity can occur (i) if the securities have sale restrictions; (ii) if the securities do not trade through normal market facilities; or (iii) if there is simply a shortage of buyers; or for other reasons. In highly volatile markets, such as in periods of sudden interest rate changes or severe market disruptions, securities that were previously liquid may suddenly and unexpectedly become illiquid. Illiquid securities are more difficult to sell, and a segregated fund or underlying fund may be forced to accept a discounted price.

Some high-yield debt securities, which may include but are not limited to security-types commonly known as high-yield bonds, floating rate debt instruments and floating rate loans, as well as some fixed income securities issued by corporations and governments in emerging market economies, may be more illiquid in times of market stress or sharp declines. In addition, the liquidity of individual securities may vary widely over time. Illiquidity in these instruments may take the form of wider bid/ask spreads (i.e., significant differences in the prices at which sellers are willing to sell and buyers are willing to buy that same security). Illiquidity may take the form of extended periods for trade settlement and delivery of securities. In some circumstances of illiquidity, it may be more difficult to establish a fair market value for particular securities, which could result in losses to a fund that has invested in these securities.

Over time, the liquidity of individual securities may change, and securities that were previously liquid may suddenly and unexpectedly become illiquid. Causes of illiquidity may include general economic and political conditions or factors specific to an individual security. General conditions include sudden interest rate changes or severe market disruptions, whereas specific factors could include changes in management, strategic direction, competition, mergers/acquisitions, etc. These impacts may affect the performance of the Funds, the performance of the securities in which the Funds invest and may lead to an increase in the redemptions experienced by the Funds (including redemptions by large investors; see "**Large Transaction Risk**").

Market risk

There are risks associated with being invested in the equity and fixed-income markets generally. The market value of a segregated fund's investments will rise and fall based on specific company developments and broader equity or fixed-income market conditions. Market value will also vary with changes in the general economic and financial conditions in countries where the investments are based.

New fund risk

The performance of a new segregated fund, which we consider as being offered for less than 12 months, may not represent how it is expected to perform in the longer term if and when it accumulates larger assets and/or it has fully implemented its investment strategies. The investment positions of a new segregated fund may have a disproportionate impact, either positive or negative, on its performance. New segregated funds may also require a period of time before they are fully invested in a representative portfolio that meets their investment objectives and strategies. A new segregated fund's performance may be more volatile during this "ramp-up" period than it would be after it is fully invested; similarly, the investment strategies of a new segregated fund may require a longer period of time to attain representative returns. New segregated funds have limited performance histories for investors to evaluate and they may not attract sufficient assets to achieve investment and trading efficiencies. If a new segregated fund failed to successfully implement its investment objective or strategies, performance may be negatively impacted, and any resulting redemptions could create larger transaction costs for the segregated fund and/or tax consequences for investors.

Portfolio manager risk

A segregated fund is dependent on its portfolio manager to select its investments. A balanced fund or an asset allocation fund is also dependent on its portfolio manager to decide what proportion of the segregated fund's assets to invest in each asset class. Segregated funds are subject to the risk that poor security selection or asset allocation decisions will cause a segregated fund to underperform relative to its benchmark or other funds with similar investment objectives.

Real estate risk

The Real Estate Fund is the only segregated fund, which invests directly in real estate. Profile funds invest in the Real Estate Fund. The Real Estate Fund and segregated funds that invest in the Real Estate Fund could experience a delay when a redemption request is made due to the relative illiquidity of its real estate holdings.

Real estate by nature is not a liquid asset. There is no formal market for trading in real property and very few records are available to the public which give terms and conditions of real property transactions. It may take time to sell real estate investments at a reasonable price. This could limit the fund's ability to respond quickly to changes in economic or investment conditions. It could also affect the fund's ability to pay policyowners who want to redeem their units.

The Real Estate Fund will keep enough cash on hand to be able to pay for the normal amount of redemption requests in a timely manner. However, redemptions may be suspended during any period that the segregated fund does not have sufficient cash or readily marketable securities to meet requests for redemptions. For more information, see *When the redemption or switch of your units may be delayed.*

The unit value of the Real Estate Fund will vary with changes in the real estate market and in the appraised values of the properties the fund holds. The value of real estate investments can vary with competition, how attractive the property is to tenants and the level of maintenance. The timing of the annual appraisal may also affect the value of the fund units.

The Real Estate Fund should be considered as a long-term investment and is not suitable for investors who may need to quickly convert their holdings to cash.

In the event the Real Estate Fund is dissolved, policyowners may receive less than the unit value because the unit value is based on appraisals, which may be greater than the amounts received upon the sale of properties pursuant to a liquidation.

Securities lending, repurchase and reverse repurchase transaction risk

In securities lending transactions, the segregated fund lends its portfolio securities to another party (often called counterparty) in exchange for a fee and a form of acceptable collateral. In a repurchase transaction, the segregated fund sells its portfolio securities for cash while at the same time it assumes an obligation to repurchase the same securities for cash, usually at a lower cost, at a later date. In a reverse repurchase transaction, the segregated fund buys securities for cash while agreeing to resell the same securities for cash, usually at a higher price, at a later date. Below are some of the general risks associated with entering into securities lending, repurchase and reverse repurchase transactions:

- When entering into securities lending repurchase and reverse repurchase transactions, the segregated fund is subject to the credit risk that the counterparty may default under the agreement and the segregated fund would be forced to make a claim in order to recover the investment.
- When recovering its investment on a default, the segregated fund could incur a loss if the value of the securities loaned (in a securities lending transaction) or sold (in a repurchase transaction) has increased in value relative to the value of the collateral held by the segregated fund.
- Similarly, a segregated fund could incur a loss if the value of the portfolio securities it has purchased (in a reverse repurchase transaction) decreases below the amount of cash paid by the segregated fund to the counterparty.

Senior loans risk

The risks associated with senior loans are similar to the risks of high yield bonds, although senior loans are typically senior and secured, whereas high yield bonds are often subordinated and unsecured. Investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers. Historically, such companies have been more likely to default on their payments of interest and principal owed than companies that issue investment grade securities, and such defaults could reduce the net asset value of the Funds. These risks may be more pronounced in the event of an economic downturn. Under certain market conditions, the demand for senior loans may be reduced, which may, in turn, reduce prices. No active trading market may exist for certain senior loans, which may impair the ability of a holder of a senior loan to realize full value in the event of the need to liquidate such asset. Adverse market conditions may impair the liquidity of some actively traded senior loans. Although these loans are generally secured by specific collateral, there can be no assurance that such collateral would be available or would otherwise satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal or that such collateral could be readily liquidated. In these circumstances, the holder of a loan may not receive payments to which it is entitled. Senior loans may also be subject to certain risks due to longer settlement periods than the settlement periods associated with other securities. Unlike equities trades, there is no central clearinghouse for loans, and the loan market has not established enforceable settlement standards or remedies for failure to settle. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which an investment fund holding the senior loan as an investment must settle redemption requests from its investors.

Short selling risk

Certain segregated funds may engage in a disciplined amount of short selling. A short sale is when a fund borrows securities from a lender and then sells the borrowed securities in the open market. At a later date, the segregated fund repurchases the securities in order to return them to the lender. In the interim, the segregated fund must pay compensation to the lender for the loan of the securities and provide collateral to the lender for the loan.

Short selling involves certain risks:

- There is no assurance that the borrowed securities will decline in value during the period of the short sale by more than the compensation paid to the lender, and securities sold short may instead increase in value.
- A segregated fund may experience difficulties in purchasing and returning borrowed securities if a liquid market for the securities does not exist at that time.
- A lender may require a segregated fund to return borrowed securities at any time. This may require the segregated fund to purchase such securities on the open market at an inopportune time.
- The lender from whom a segregated fund has borrowed securities, or the prime broker who is used to facilitate short selling, may become insolvent and the segregated fund may lose the collateral it has deposited with the lender and/or the prime broker.

Where a fund engages in short selling it adheres to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The fund also deposits collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Although segregated funds may not themselves engage in short selling, they may be exposed to short selling risk because the underlying funds in which they invest may be engaged in short selling.

Small fund risk

The performance of a segregated fund with relatively small assets, which we consider typically as below $20 million, may not represent how it is expected to perform in the longer term if and when it accumulates larger assets. The investment positions of a smaller segregated fund may have a disproportionate impact, either positive or negative, on its performance. Smaller segregated funds may also require a period of time before they are fully invested in a representative portfolio that meets their investment objectives and strategies. A smaller segregated fund's performance may be more volatile during this "ramp-up" period than it would be after it is fully invested; similarly, the investment strategies of a smaller segregated fund may require a longer period of time to attain representative returns. If a smaller segregated fund failed to successfully implement its investment objective or strategies, performance may be negatively impacted, and any resulting redemptions could create larger transaction costs for the segregated fund and/or tax consequences for investors.

Smaller company risk

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Securities of smaller companies are usually traded less frequently and in smaller volumes than those of large companies. Smaller companies may have limited financial resources, and a less established market for their securities. Segregated funds that invest a significant portion of their assets in small companies are subject to smaller company risk and may find it more difficult to buy and sell securities and tend to be more volatile than segregated funds that focus on larger capitalization companies.

Sovereign risk

Sovereign risk is the risk that a foreign nation will either fail to meet debt repayments nor honour sovereign debt payments. This may be more prevalent in foreign markets that experience great political, social or economic instability. It also includes the risk that a foreign central bank will alter its foreign exchange regulations, significantly reducing or completely nullifying the value of its foreign exchange contracts.

Specialization risk

If a segregated fund invests only in specific countries, or in particular types of securities, or in specific markets, the fund's ability to diversify its investments may be limited. This limited diversification may mean that the segregated fund can't avoid poor market conditions, causing the value of its investments to fall.

Underlying fund risk

Certain segregated funds may invest substantially all of their assets in one or more underlying fund(s). The performance of a segregated fund that invests in an underlying fund may differ from the performance of the fund(s) in which it invests in. The fees and expenses of the segregated fund may differ from the fees and expenses of the fund(s) in which it invests.

Fund Facts

Fund Facts provides detailed information for each segregated fund under the contract and are available to you in the Fund Facts booklet which is provided with this information folder. You can choose to invest in one or more of these funds.

The individual *Fund Facts* give you an idea of what each segregated fund invests in, how it has performed and what fees or charges may apply.

The description of each segregated fund in the individual *Fund Facts* is not complete without the following description of *What if I change my mind?* and *For more information*.

What if I change my mind?

You can change your mind and cancel the segregated fund policy, the initial pre-authorized chequing premium or any lump-sum premium you apply to the policy by telling us in writing within two business days of the earlier of the date you received confirmation of the transaction or five business days after it was mailed to you.

Your cancellation request has to be in writing, which can include email or letter. The amount returned will be the lesser of the amount of the premium being cancelled or the market value of the applicable units acquired on the day we process your request. The amount returned only applies to the specific transaction and will include a refund of any sales charges or other fees you paid.

For more information

The *Fund Facts* may not contain all the information you need. Please read the contract and the information folder or you may contact us at:

The Canada Life Assurance Company
255 Dufferin Ave
London ON N6A 4K1

Web: canadalife.com

Email address: isp_customer_care@canadalife.com

Phone: 1-888-252-1847

Glossary of terms

This section provides an understanding of some of the terms used in this information folder.

Annuitant

The annuitant is the individual on whose life the policy is based. The annuitant can be you, the policyowner, or an individual whom you designate and must be no older than 90 years of age at the issue date.

Beneficiary

The beneficiary is the person, persons or entity appointed to receive any amounts payable after the last annuitant's death. If there is no living beneficiary, we will pay the death benefit to the policyowner's estate.

Capital gains

The profit that results when units of a segregated fund is redeemed for more than its adjusted cost base.

Capital loss

The loss that results when units of a segregated fund is redeemed for less than its adjusted cost base.

Death benefit guarantee amount

Your segregated fund death benefit guarantee amount is impacted by guarantee level and options you select, and contributions and withdrawals made to and from the segregated fund investments in your policy. Any withdrawals will reduce your guaranteed values proportionally.

Diversification

Investing in a number of different securities, companies, industries or geographic locations in an attempt to reduce the risks inherent in investing.

Fund Facts

Fund Facts provides detailed information about the fund. Fund Facts are provided in a separate booklet along with this information folder.

Guarantee level

Guarantee level means the 75/75 guarantee, 75/100 guarantee or 100/100 guarantee you selected on the application.

Investment management fee

The amount charged for supervising a fund and administering its operations. This fee is a component of the MER.

Joint annuitants

The joint annuitant is based on the life of two insured persons ("joint annuitants") and must be no older than 90 years of age at the issue date. When we refer to the age of an annuitant, we mean the age of the younger of the two joint annuitants. Joint annuitants must be either married, civil union spouses or in a common-law relationship with each other at the time of the application. Except when the policy is owned by a corporation or other entity that is not an individual the joint annuitants must also be joint policyowners with rights of survivorship (where Quebec law applies, rights of survivorship means accretion and in order to obtain the same legal effects as the rights of survivorship, joint policyowners must appoint and maintain each other as his/ her subrogated policyowner).

Life income fund (LIF) or restricted LIF

A LIF is established by the transfer from a pension plan, a locked-in RSP, a LIRA or a RLSP.

Lifetime income benefit option

For an existing contract with the lifetime income benefit option, guarantees are subject to certain limitations. For more information, see *Lifetime income benefit option* section.

Locked-in plans

When used in reference to an RSP or pension plan, locked-in means a policy in which the monies come directly or indirectly from a pension plan and can only be used to purchase retirement income as specified by pension regulations.

Locked-in retirement account (LIRA)

A LIRA, also known as a locked-in RSP, is a registered retirement savings plan from which, generally, funds cannot be redeemed except for the purchase of a life annuity, LIF, PRIF (where available) or a LRIF (where available). A LIRA is only available until the end of the year in which you turn 71 (or such other age as the tax legislation then in effect may provide).

Locked-in retirement income fund (LRIF)

A plan available only in certain provinces for locked-in pension funds. These plans work the same way as a RIF, but there are maximum and minimum annual payment requirements. A LRIF may be converted to a life annuity at any age, but it is not necessary to do so.

Management expense ratio (MER)

The MER is the total of the annual investment management fee and operating expenses paid by the segregated fund, and is expressed as an annualized percentage of daily average net assets during the year.

Maturity guarantee

The maturity guarantee is the minimum value of the policy on a specified date (the maturity guarantee date).

Maximum age

Maximum age means the maximum age stipulated for a maturing RRSP as set out in the *Income Tax Act* (Canada) as amended from time to time. As of the date of this information folder, the date and the maximum age stipulated in the *Income Tax Act* (Canada) is Dec. 31 of the year the annuitant attains age 71.

Policyowner

The policyowner is the individual who is the legal owner of the policy. An individual or several individuals may own non-registered policies. Registered policies can only be owned by one individual. All policy information is sent to the policyowner.

Prospectus

A document that contains a wide variety of information about a mutual fund's investment objectives, the fund managers, how income is distributed, costs, rights, tax issues and risk factors. It is important to read the prospectus carefully to gain a thorough understanding of an underlying fund.

Policy maturity date

The contractual date the policy matures.

Prescribed retirement income fund (PRIF)

A PRIF is available in certain provinces and is a prescribed retirement arrangement that can be established with funds locked-in by pension legislation. These work the same way as a RIF, with a legislated minimum amount that must be redeemed each year.

Retirement income fund (RIF or RRIF)

A tax deferral vehicle available to RRSP holders. The policyowner invests the funds in the RRIF and must redeem at least a minimum amount each year. All amounts redeemed are taxable.

Retirement savings plan (RSP or RRSP)

A vehicle available to individuals to defer tax on a specified amount of money to be used for retirement. The policyowner invests money in one or more segregated funds in the annuity contract. Income tax on contributions and earnings within the plan is deferred until the money is redeemed. RRSPs can be transferred into registered retirement income funds. A RRSP is only available until the end of the year in which you turn 71 (or such other age as the tax legislation then in effect may provide).

Sales charge option

The fee option you elect when you allocate a premium to a segregated fund.

Spouse

Spouse means the person recognized as your spouse or common-law partner by the *Income Tax Act* (Canada) or is a civil-union spouse under Quebec legislation.

Tax-free savings account (TFSA)

A tax-free vehicle available to Canadian residents who are 18 years of age or older. Contributions to a TFSA are not deductible from income. Generally investment income is earned tax-free and amounts redeemed are also tax-free.

Trusteed registered plan

A trust arrangement that is registered externally (meaning not through Canada Life) under the *Income Tax Act* (Canada) (such as an RRSP, RRIF, TFSA, etc.).

Underlying fund

An underlying fund is a fund in which our segregated funds invest. You do not become an investor of the underlying fund.

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