

Investment details

at June 30, 2018

Portfolio size: \$379.5 million

Proportion of total assets of the Great-West Life participating account: 7.6 per cent

Investment guidelines

Private placements are bond investments made through private agreements with various borrowers. Private placements are managed by a specialized private placement area located in Toronto. A diversified portfolio is maintained.

Investments by term

at June 30, 2018

	\$ Millions	Percentage
Years to maturity		
0 to 5 years	\$30.2	8.0%
More than 5 years	\$349.3	92.0%
Total	\$379.5	100.0%

Investments by quality

at June 30, 2018

Rating	Percentage
AAA	0.4%
AA	0.9%
A	47.7%
BBB	50.9%
BB or less	0.0%

Investments by sector

at June 30, 2018

Sector	Percentage
Power generators	37.8%
Public private partnerships	24.4%
Government related/universities/health care	11.6%
Transportation - air	6.8%
Provincial government and guarantees	4.8%
All other sectors	14.5%

Historical average returns

at Dec. 31, 2017

	1-year (2017)	2-year (2016–2017)	3-year (2015–2017)	4-year (2014–2017)	5-year (2013–2017)	10-year (2008–2017)
Public bonds and private placements	3.2%	3.6%	3.9%	4.0%	4.1%	4.8%
Five-year GICs	1.4%	1.4%	1.4%	1.6%	1.6%	1.8%
Government of Canada five- to 10-year bonds	1.6%	1.3%	1.3%	1.4%	1.5%	2.1%

Private placements are internally rated.

Throughout the report, totals may not add up to 100 per cent due to rounding.

Performance data are provided for illustrative purposes only and represent past performance, which is not necessarily indicative of future performance.

The return on the bonds of the participating account reflects the return on the bond assets backing liabilities and surplus, after investment expenses are deducted. With the exception of unrealized gains and losses on bonds, which are excluded because bonds in the participating account are generally held until maturity, the return on the bonds of the participating account is in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), effective Jan. 1, 2011.

The return on the bonds contributes to the overall investment performance of the total participating account.

Five-year guaranteed investment certificate (GIC) returns are based on the nominal yields to maturity taken from Statistics Canada, CANSIM table 176-0043, series V122526 (Statistics Canada website) Jan. 3, 2018. For each calendar year, the average of the monthly GIC rates was used.

Government of Canada five- to 10-year bond returns are taken from Statistics Canada, CANSIM table 176-0043, series V122486 (Statistics Canada website) Jan. 3, 2018. For each calendar year, the average of the monthly values was used.