

Great-West Life participating account – equity holdings

Account details

at June 30, 2018

Portfolio size: \$892.7 million

Proportion of total assets of the Great-West Life participating account: 18.0 per cent

Investment guidelines

Real estate is managed by GWL Realty Advisors, Inc. (GWLRA). GWLRA is a wholly owned subsidiary of The Great-West Life Assurance Company with eight offices in major centres across Canada.

Common stocks are managed by GLC Asset Management Group Ltd. (GLC). The stock portfolios are diversified by growth/income characteristics and by investment management style through GLC's three investment divisions: GWL Investment Management (GWLIM), London Capital Management (LCM) and Laketon Investment Management (Laketon). Each division pursues its own unique investment style, process and philosophy. The funds are diversified portfolios of publicly traded stocks, primarily Canadian securities.

Most preferred stock is managed directly by the bond unit, which manages the general account bond investments in Canada for Great-West Life.

Investments by manager

at June 30, 2018

	\$ Millions	Percentage
Equity fund managers		
GLC Asset Management Group Ltd.		
GWLIM	\$323.4	36.2%
LCM	\$119.7	13.4%
Laketon	\$266.7	29.9%
Indexed	\$0.0	0.0%
GWLRA	\$173.2	19.4%
Direct	\$9.7	1.1%
Total equity assets	\$892.7	100.0%

Investment mix

at June 30, 2018

	\$ Millions	Percentage
Equity type		
Common stock	\$652.4	73.1%
Real estate	\$230.6	25.8%
Preferred stock	\$6.9	0.8%
Private equity	\$2.9	0.3%
Total equity assets	\$892.7	100.0%

Notes:

- Asset values are based on International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB), effective Jan. 1, 2011
- Throughout the report, totals may not add up to 100 per cent due to rounding

Common stocks by sector

At June 30, 2018

Sector	Percentage
Banks	25.9%
Energy	15.0%
Real estate investment trusts	9.0%
Telecommunication services	6.1%
Insurance	5.5%
All other sectors	38.5%

Major holdings

at June 30, 2018

	Percentage of common stock holdings	Percentage of total participating assets
Toronto-Dominion Bank	7.1%	1.0%
Royal Bank of Canada	6.6%	0.9%
Bank of Nova Scotia	5.5%	0.8%
Suncor Energy Inc.	3.9%	0.6%
Bank of Montreal	3.3%	0.5%
Canadian Natural Resources Limited	2.7%	0.4%
Canadian National Railway Co.	2.7%	0.4%
Manulife Financial Corp.	2.5%	0.4%
Brookfield Asset Management	2.3%	0.3%
Canadian Imperial Bank of Commerce	2.2%	0.3%
Total major holdings	39.0%	5.6%

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)
Equities	10.2%	14.3%	8.5%	8.9%	10.2%	6.8%
S&P/TSX composite total return index	9.1%	14.9%	6.6%	7.6%	8.6%	4.6%
Five-year GICs	1.4%	1.4%	1.4%	1.6%	1.6%	1.8%

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

The return on the equities of the participating account reflects the return on the equity assets backing liabilities and surplus, after investment expenses are deducted. The return on the equities 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.

Common stock returns, are valued on a marked-to-market basis, in other words, not smoothed. With the adoption of IFRS, effective Jan. 1, 2011, real estate returns are also valued on a marked-to-market basis. The return on the equities contributes to the overall investment performance of the total participating account.

S&P/TSX composite total return index includes the reinvestment of dividends. TSX © Copyright 2018 TSX Inc. All rights reserved.

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.