

Participating account asset mix quarterly update



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As of December 2025

	December 2025		December 2024	
	\$ Thousands	Percentage	\$ Thousands	Percentage
Short term				
Cash and equivalents	\$52,234	2%	\$54,395	2%
Total short term	\$52,234	2%	\$54,395	2%
Fixed income				
Government bonds	\$247,256	8%	\$234,101	10%
Corporate bonds	\$665,925	21%	\$526,501	22%
Private placements	\$388,009	12%	\$250,421	10%
Commercial mortgages	\$271,758	9%	\$192,564	8%
Total fixed income	\$1,572,948	50%	\$1,203,587	50%
Non-fixed income				
Real estate	\$394,371	12%	\$296,543	13%
Common equity	\$578,384	18%	\$407,149	17%
Preferred equity	\$151,095	5%	\$104,852	4%
Private equity	\$60,830	2%	\$39,644	2%
Infrastructure equity	\$2,976	0%	\$0	0%
Total non-fixed income	\$1,187,656	37%	\$848,188	36%
Total invested assets	\$2,812,838	89%	\$2,106,169	88%
Policy loans	\$331,503	11%	\$278,063	12%
Other assets	\$13,129	0%	\$9,848	0%
Total participating assets	\$3,157,470	100%	\$2,394,080	100%

At Equitable®, we manage the participating (Par) investment portfolio to protect today and prepare tomorrow. Our goal is to deliver strong and steady long-term returns to our clients. We are pleased to share an update on the markets and the Equimax® Par portfolio for the fourth quarter (Q4) of 2025.

Most markets delivered strong returns in Q4 to finish a very good year. Stock markets in both Canada and the U.S. posted strong gains. In Canada, the S&P/TSX Composite index gained 6% during Q4. It was up 32% for the full year. The TSX was led by the materials sector. Stocks in that sector benefitted from the rise in commodity prices last year. The price of gold rose 65% over the year, to US\$4,300/oz. The U.S. stock market didn't keep up with the TSX in 2025. But the S&P 500 also delivered a double-digit return of 18%. Investments in A.I. and digital infrastructure continued to drive the markets. The top sectors in the U.S. for the year were Communications and Information Technology. Canadian bond markets delivered slightly negative returns in Q4. That resulted in muted returns for the full year. But corporate bonds continued to do well. They outperformed government bonds again in the quarter and for the full year. In addition to stocks and corporate bonds, the Par portfolio's investments in the Canadian preferred share market were another key contributor to solid performance. The S&P/TSX Preferred Share index gained 4% in Q4 and 16% in 2025.

The markets did well as the economy recovered from a weak start to the year. Tariffs were a cause for concern early in 2025. But government policy helped the economy and markets in the second half of the year. Fiscal policy and monetary policy both helped. The federal government provided support for the economy in its November budget. The Bank of Canada also provided support with another interest rate cut in Q4. It lowered its target rate in October to 2.25%. The U.S. Federal Reserve also cut interest rates in Q4. It is expected to ease policy again in 2026. However, the Bank of Canada is not expected to lower rates any further this year.

Our team continues to make solid investments in private markets. These complement the Par portfolio's investments in the public markets. They provide diversification and extra sources of growth to support the Par portfolio for the long term. In Q4, we made a significant new real estate investment. It was in a newly-constructed residential property in Victoria, B.C. This investment provides the Par portfolio with more exposure to high-quality rental housing. We are making investments like these in markets with strong economic and demographic fundamentals. This acquisition was another example of the ways we seek to make positive impacts in our communities that also deliver solid returns for the Par portfolio.

Dividend scale interest rate



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30-year historical performance

The dividend scale interest rate reflects the investment performance of the participating account which is smoothed to reduce volatility. The dividend scale interest rate is just one factor used to determine the dividends paid in a participating policy. Other factors include mortality, expense, lapse, claims experience, taxes, and other experience of the participating block of policies. The dividend scale interest rate does not include policy loans. Dividends are paid at the sole discretion of the Board of Directors.

This chart shows Equitable's dividend scale interest rate over 30 years compared to other well-known economic indicators.

Year	Equitable dividend scale interest rate	S&P/TSX total return index	Government of Canada 5 to 10 year bonds	5-year GIC	Consumer price index
1995	10.20%	14.53%	7.93%	7.10%	1.80%
1996	9.60%	28.35%	6.86%	5.60%	2.20%
1997	10.00%	14.98%	5.87%	4.70%	0.80%
1998	9.10%	-1.58%	5.26%	4.40%	1.00%
1999	8.80%	31.71%	5.56%	4.80%	2.60%
2000	8.80%	7.41%	5.96%	5.30%	3.20%
2001	8.80%	-12.57%	5.32%	4.00%	0.70%
2002	8.80%	-12.44%	5.08%	3.90%	3.80%
2003	8.40%	26.72%	4.54%	3.10%	2.10%
2004	8.20%	14.48%	4.34%	2.90%	2.10%
2005	8.20%	24.13%	3.89%	2.70%	2.10%
2006	7.90%	17.26%	4.18%	3.20%	1.70%
2007	7.90%	9.83%	4.25%	3.30%	2.40%
2008	7.90%	-33.00%	3.36%	3.01%	1.20%
2009	7.40%	35.05%	2.84%	1.95%	1.30%
2010	7.10%	17.61%	2.88%	2.00%	2.40%
2011	7.10%	-8.71%	2.47%	1.87%	2.30%
2012	6.80%	7.19%	1.63%	1.65%	0.80%
2013	6.80%	12.99%	1.99%	1.63%	1.20%
2014	6.80%	10.55%	1.86%	1.92%	1.50%
2015	6.80%	-8.32%	1.19%	1.47%	1.60%
2016	6.50%	21.08%	1.02%	1.41%	1.50%
2017	6.50%	9.10%	1.61%	1.39%	1.90%
2018	6.35%	-8.89%	2.22%	1.69%	2.00%
2019	6.20%	22.90%	1.53%	2.08%	2.20%
2020	6.20%	5.60%	0.65%	1.28%	0.70%
2021	6.05%	25.09%	1.27%	0.99%	4.80%
2022	6.05%	-5.84%	2.78%	2.87%	6.30%
2023	6.25%	11.75%	3.38%	3.80%	3.40%
2024	6.40%	21.65%	3.33%	3.67%	1.80%
2025	6.40% ¹				

¹ The Dividend Scale Interest Rate is 6.4% effective July 1, 2025. All other details will be included at Q4 2025 year end once they are available.

Dividend scale interest rate



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Average annual returns

Year	Equitable dividend scale interest rate	S&P/TSX total return index	Government of Canada 5 to 10 year bonds	5-year GIC	Consumer price index
5 years	6.19%	11.08%	2.28%	2.52%	3.38%
10 years	6.33%	8.65%	1.89%	2.06%	2.61%
20 years	6.86%	8.12%	2.41%	2.19%	2.15%
30 years	7.59%	8.77%	3.49%	2.98%	2.11%
Standard deviation over 30 years	1.25%	15.63%	1.89%	1.50%	1.22%

Data as of December 31 each year. Dividend scale interest rate is set as of July 1 of each year. Average returns are calculated using a geometric mean.

Notes:

- Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns and experience in the participating account and the participating block of policies. Improvements in some of the components can help offset declines in other components. For example, improvements in mortality can help offset the impact of declining interest rates on investment performance.
- Past performance is not indicative of future performance.
- Information Sources: Equitable; Statistics Canada; Bank of Canada.

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