

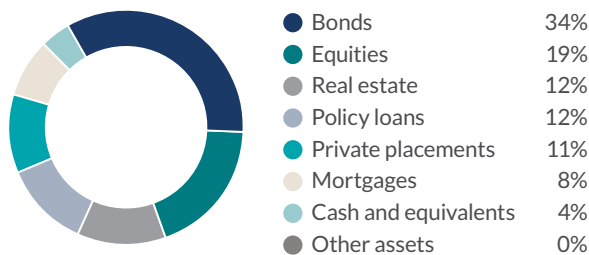
# Participating account portfolio

## Assets and allocation

As of December 31, 2023

### Assets

The Asset Management Division within Equitable is responsible for managing investment assets. We follow good strategies to manage risks and diversify our portfolio. This helps support our long-term goals.



	\$ Thousands	Percentage
<b>Short term</b>		
Cash and equivalents	\$ 64,290	4%
<b>Total short term</b>	\$ 64,290	4%
<b>Fixed income</b>		
Government bonds	\$ 275,340	15%
Corporate bonds	\$ 340,179	19%
Private placements	\$ 202,397	11%
Commercial mortgages	\$ 136,027	8%
<b>Total fixed income</b>	\$ 953,944	53%
<b>Non-fixed income</b>		
Real estate	\$ 222,554	12%
Common equity	\$ 246,663	14%
Preferred equity	\$ 61,310	4%
Private equity	\$ 25,204	1%
<b>Total non-fixed income</b>	\$ 555,731	31%
<b>Total invested assets</b>	\$ 1,573,965	88%
Policy loans	\$ 201,694	12%
Other assets	\$ 6,954	0%
<b>Total participating assets</b>	\$ 1,782,613	100%

Refer to *Understanding participating whole life insurance* (#1038) for more information on dividends and how they are calculated.

### Allocation

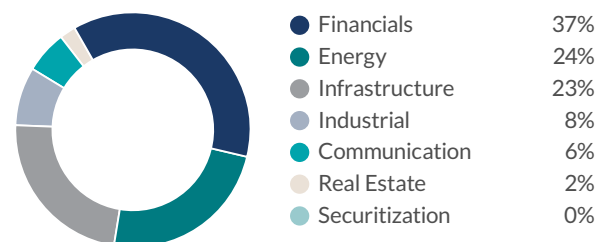
Investments with a lower credit rating can provide higher returns. We want to optimize our returns. To do this we will choose investments based on the risk and the return they provide.

#### Investments by quality

Rating	Percentage
AAA (high credit quality)	23%
AA (high credit quality)	24%
A (medium credit quality)	32%
BBB (medium credit quality)	21%
BB or less (low credit quality)	0%
<b>Total</b>	<b>100%</b>

As of December 31, 2023 for publicly rated, fixed income securities.

#### Investments by sector



As of December 31, 2023 for corporate bonds.

#### Investments by geographic location



As of December 31, 2023 for common equity.

#### Investments by term

Years to maturity	\$ Thousands	Percentage
0 to 5 years	\$ 247,548	26%
5 to 10 years	\$ 214,609	22%
Over 10 years	\$ 491,787	52%
<b>Total</b>	\$ 953,944	<b>100%</b>

As of December 31, 2023 for fixed income securities.

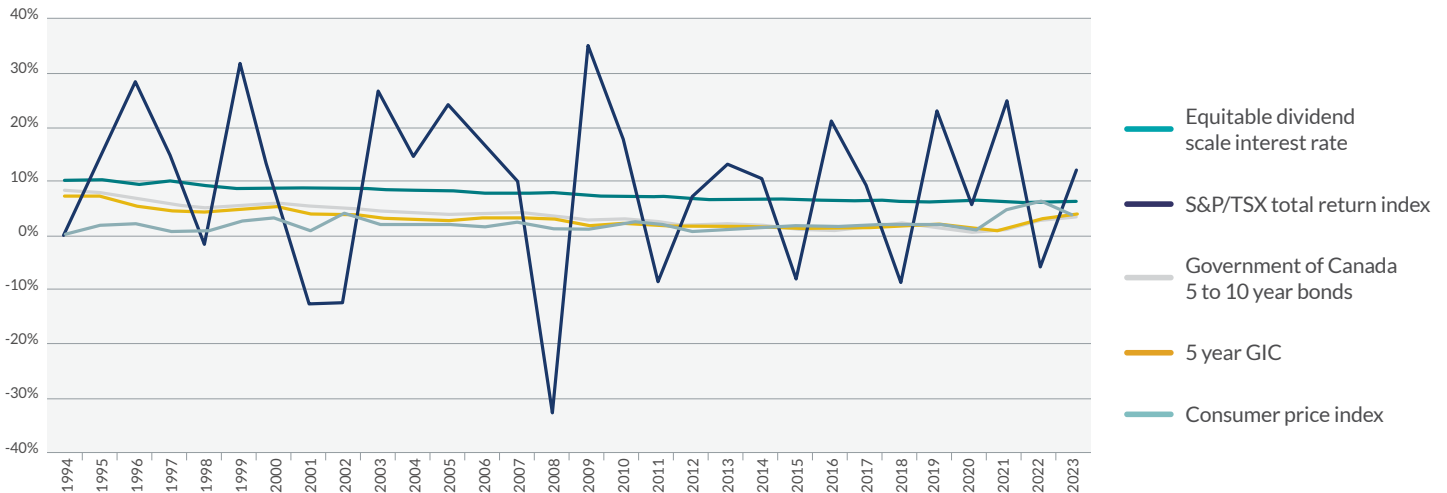
# Historical dividend scale interest rate

The dividend scale interest rate is one of the factors we use to find out how much is paid as a dividend to a participating policy. The dividend scale interest rate reflects the investment performance of the participating account. It smooths out the ups and downs of the participating account experience. It does not include investment income from policy loans.

The following shows Equitable's dividend scale interest rate. It shows how it compares to other investments and economic indicators over the last 30 years.

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
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%
Average annualized returns					
5 years	6.15%	11.30%	1.92%	2.20%	3.46%
10 years	6.37%	7.62%	1.75%	1.89%	2.58%
20 years	6.95%	7.79%	2.46%	2.15%	2.16%
30 years	7.72%	8.06%	3.65%	3.10%	2.05%
Standard deviation over 30 years	1.31%	15.57%	2.08%	1.70%	1.27%

Data as of December 31 each year. All average returns are calculated using a geometric mean.



## Notes

- Dividends are not guaranteed. They could change and be different based on how well the investments do, how many claims are made, and other factors. Dividends are paid at the sole discretion of the Board of Directors.
- Past results do not show what will happen in the future.
- For the current dividend scale interest rate, see Understanding participating whole life insurance (#1038) or visit [equitable.ca](https://equitable.ca). For more details, speak with your advisor.
- Information sources: Statistics Canada, Bank of Canada, and Equitable.

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