



Equimax participating whole life

Strong and stable dividends



Participating whole life policyholders are eligible to participate in the earnings of the company's participating (PAR) account through dividend payments.¹ Let's take a closer look at our historical results by looking at sample Equimax Estate Builder[®] and Equimax Wealth Accumulator[®] policies.

The participating (PAR) account rate of return

The PAR account rate of return is a short-term indicator of investment performance. It is the rate of return earned on assets held in the PAR account in a given calendar year.

Assets in the PAR account are managed to meet the guarantees of the product and provide long-term income and growth to support the dividend scale.

The dividend scale interest rate (DSIR)

The DSIR determines the investment component of the dividend scale and helps smooth out any fluctuations experienced by the PAR account. The DSIR is different from the PAR account rate of return.

The DSIR is only one component of the dividend scale, but it is one of the more significant factors, particularly in later policy years.

The dividend scale is sensitive to the same factors that affect the participating account, but especially changes in investment returns. Improvements in some factors, like mortality or expenses, can help offset declines in others, like investment returns.²

¹ 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 in the participating account as well as mortality, expenses, lapse, claims experience, taxes, and other experience of the participating block of policies.

² During periods of low interest rates, investment returns will be lower and this may mean decreases in the dividend scale in the future. Dividend payments are not guaranteed, but they will never be negative.

Historical results – PAR account & DSIR

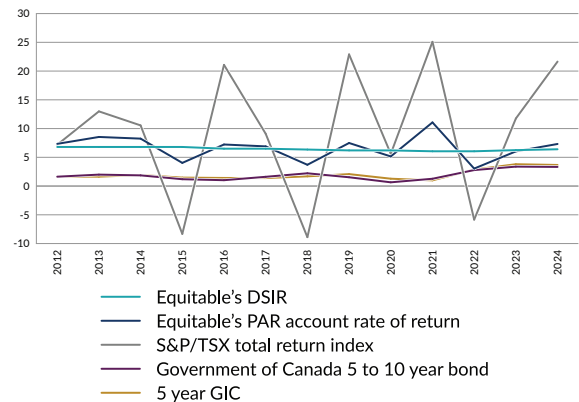
Equitable started selling Equimax Estate Builder and Equimax Wealth Accumulator policies in 2012.

Our PAR account rate of return and DSIR have remained **strong and stable since then and compare favourably** to other well-known economic indicators.

Equitable’s DSIR has shown stability between 2012 and 2024.

2012 = 6.80% vs. 2024 = 6.40%

For additional historical information on Equitable’s participating account and dividend scale interest rate, refer to Form [#1505](#), [#1038](#), and [#1360](#), on EquiNet®.



Data shown as of December 31st of each year. Dividend scale interest rate as of July 1st of each year. Historical results are not indicative of future performance. Sources: Equitable, Statistics Canada, and Bank of Canada.

Equitable has both strong and stable returns compared to other indices

	Equitable's DSIR	Equitable's PAR account rate of return	S&P/TSX total return index	Government of Canada 5 to 10 year bond	5 year GIC
Average rate of return (since 2012)	6.44%	6.60%	9.01%	1.88%	1.98%
Standard deviation (since 2012)	0.29%	2.22%	11.67%	0.85%	0.90%

The average rate of return is calculated using a geometric mean using data as of December 31st of each year and DSIR as of July 1st of each year. Historical results are not indicative of future performance.

Sources: Equitable, Statistics Canada, and Bank of Canada.

For additional historical information on Equitable’s participating account and dividend scale interest rate, refer to [Form #1505](#), [#1038](#), and [#1360](#), on EquiNet.

Illustrated vs. actual values

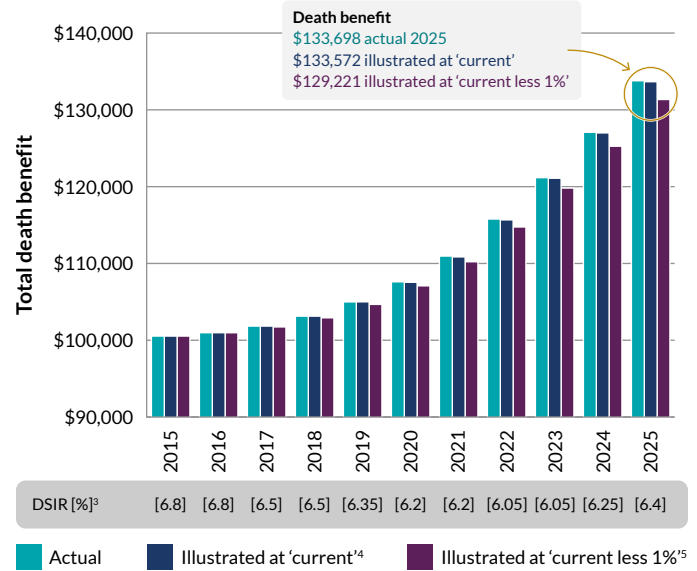
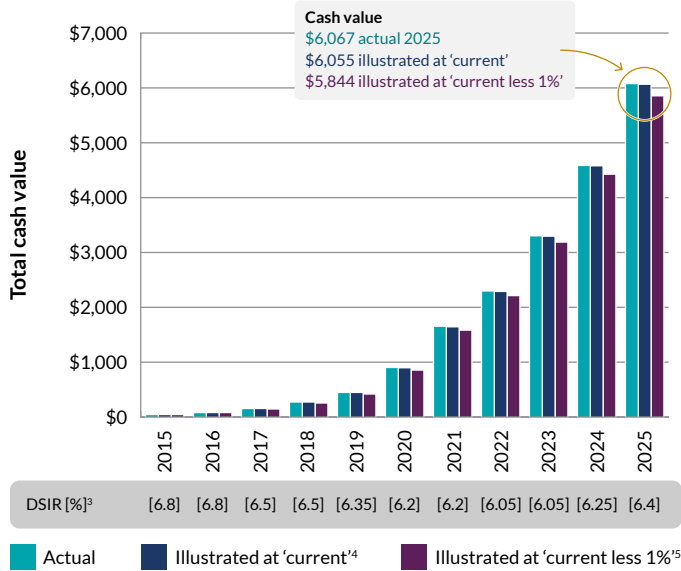
Sales illustrations presented to clients at time of purchase show the non-guaranteed potential future cash value and the death benefit based on a company’s dividend scale in effect (if it were to continue at the current level for the life of the policy). Dividend scales can change over time and these changes will affect future dividend payments.^{1,2} So, let’s look at some examples of how actual policy values for two clients compare to their original sales illustrations.

The examples on the following page are based on policies issued in 2014 and 2012. Both policies have the paid-up additions (PUA) dividend option.

The charts show the actual policy cash values and total death benefit values at each policy anniversary compared to the original illustrated values. The actual values reflect any dividend scale changes that have happened since the policy purchase date. The original illustrated values are based on the dividend scale in effect at the time of policy purchase.⁴ The dividend scale interest rate originally illustrated for both examples is 6.80%.

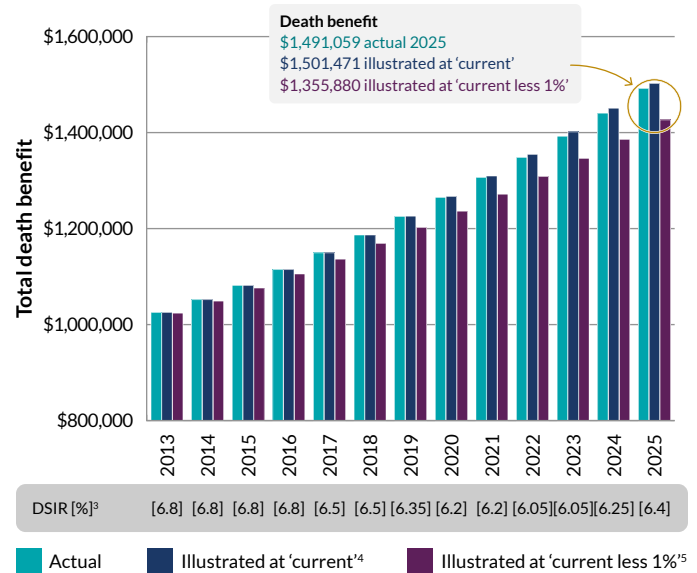
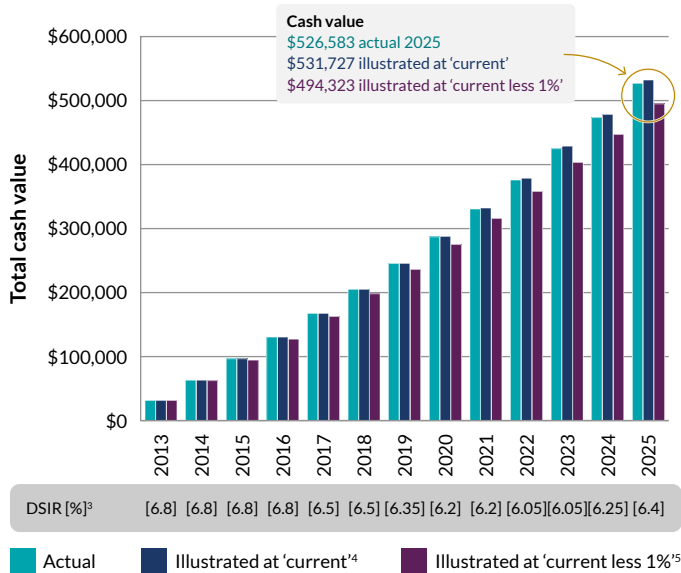
Example #1:

Policy issued in April 2014: Female – age 10, non-smoker
 \$100,000 20-pay Equimax Estate Builder – PUA dividend option, annual premium \$1,309
 All values assume no policy changes since issue, including no cash withdrawals or policy loans.



Example #2:

Policy issued in May 2012: Male – age 52, non-smoker
 \$1,000,000 life pay Equimax Wealth Accumulator – PUA dividend option, annual premium \$36,970
 All values assume no policy changes since issue, including no cash withdrawals or policy loans.



³ DSIR values are those in effect at the policy anniversary for each year shown.

⁴ Values illustrated at the "current" DSIR assumed the DSIR in effect at the time of policy issue, 6.80%.

⁵ Values illustrated at the "current less 1%" DSIR assumed a 1% reduction of the DSIR in effect at the time of policy issue, 5.80%.

In summary

What do these examples tell us? Most importantly, they confirm that both policies are performing well – and closely match the values the advisor originally illustrated at time of purchase. The actual 2025 cash values and death benefits and the values these clients were presented in their original sales illustrations are quite similar. For these examples, actual 2025 values are comparable to the illustrated values assuming the current dividend scale in effect at time of purchase,⁴ and are comparable or better than the illustrated values under the current less 1% scenario.⁵

These results reflect the strong and stable returns realized in these Equitable policies since their purchase. Although the dividend scale interest rate declined over the example period, which contributed to lower dividends¹ and policy values, Equitable's favourable experience in managing expenses, mortality and policy loans helped offset this. These results represent the common experience of Equimax Estate Builder and Equimax Wealth Accumulator policyholders over this time.⁶

Although the experience for Equimax policies to date has closely tracked the illustrated values, there is no guarantee that this will be the case for policies issued today or in the future, or that this will continue to be the case for policies issued in the past.

Looking ahead with confidence

Equitable's strong and stable dividend results are due to our continued focus on prudent investment strategies and risk management that support our participating account management mandate. Our goal is to ensure we can meet the guarantees of the product and provide long-term income and growth to support the dividend scale. As a mutual company, our participating policyholders are our owners, and we are dedicated to meeting our commitments to them – today and in the future.

Dividend scales will change² but with prudent management, Equitable's Equimax participating whole life will continue to offer excellent value by providing lifetime protection and an opportunity for tax-advantaged growth.

For more information on Equitable's participating account and dividends please see [Form 1038 – Understanding Participating Whole Life Insurance](#) and [Form 1360 – Participating Account Asset Mix Quarterly Update](#).

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² During periods of low interest rates, investment returns will be lower and this may mean decreases in the dividend scale in the future. Dividend payments are not guaranteed, but they will never be negative.

⁶ Results for the policy examples shown are not indicative of future results or results for other series of participating whole life policies, including the Equimax Estate Builder and Equimax Wealth Accumulator policies currently offered. Actual policy values will depend on the underlying product pricing and guarantees that apply to a specific policy, as well as the dividend scale changes that have occurred over the life of the policy.

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