

iA Participating Life Insurance (iA PAR)



OVERVIEW OF THE PARTICIPATING ACCOUNT



Philosophy and objective of the participating account

The management philosophy of the participating account is based on an understanding of the long-term risk/return relationship, and the resulting asset allocation opportunities.

The search for added value is part of an active management process based on asset and risk diversification. The participating account is actively managed to maximize potential returns while maintaining a conservative approach.

In order to optimize the risk/return relationship, investments in alternative assets will be integrated into the account in addition to fixed income securities and equities.

Strength - Discipline - Stability

Choosing iA PAR means allowing your clients to benefit from the strength of one of the largest insurance and wealth management groups in Canada with over a century of experience. Founded in 1892, iA Financial Group is a subsidiary of iA Financial Corporation Inc. one of Canada's largest public companies, listed on the Toronto Stock Exchange under the ticker symbol IAG. Our financial strength gives us the means to achieve our ambitions.

Opting for iA PAR means benefitting from the vast investment management experience and expertise of Industrial Alliance Investment Management Inc. (iAGAM).

About iA Global Asset Management (iAGAM)



The participating account is managed by the iAGAM team responsible for managing iA Financial Group's entire asset portfolio. iAGAM manages nearly \$100 billion in assets, including over \$10 billion in alternative assets. Alternative assets include real estate, private debt, commercial mortgages, infrastructure investments and private equity. The team's portfolio managers are supported by the expertise of numerous teams within iAGAM, including a variety of highly experienced managers in equities, bonds, alternative assets, asset allocation, economics and risk management.

\$100B

of assets
under
management

Current and target asset allocation

As at June 30, 2025

The participating account asset allocation benefits from an optimal diversification of asset classes. A prudent and measured approach is employed to maximise long-term returns.

The asset allocation of the portfolio may deviate from the target allocation due to investment opportunities, and portfolio managers may adjust the targets based on changes in economic conditions to benefit clients of iA PAR.

Asset allocation

		Invested assets	Total	Target
Fixed income 64% (target: 60%)	Short-term	\$ -	0%	0%
	Government bonds	\$13,704,802	12%	10%
	Corporate bonds	\$25,695,985	23%	15%
	Preferred shares	\$5,309,736	5%	5%
	Commercial mortgages	\$5,138,927	5%	10%
	Private debt	\$21,215,988	19%	20%
Non-fixed income 36% (target: 40%)	Private equity and infrastructure	\$21,914,020	19%	20%
	Real estate	\$2,154,016	2%	10%
	Common shares	\$17,247,663	15%	10%
	Total	\$112,381,137	100%	100%

Alternative investments
45% (target: 60%)

Alternative investment portfolio of iA PAR account

As at June 30, 2025

Alternative assets offer various advantages such as higher returns with an equal or lower risk, low correlation with traditional asset classes and portfolio diversification.

The alternative assets are the following: commercial mortgages, private debt (also presented in the bond section), private equity and infrastructure, and real estate.

The portfolio is diversified by sector and across various geographies and markets.

Example of investments in the portfolio:



— Global platform that develops and own core infrastructure assets



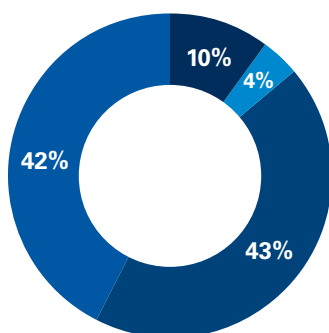
— Global security services company



— European telecommunication company deploying fiber in rural area



— Platform of colocation data center in North America

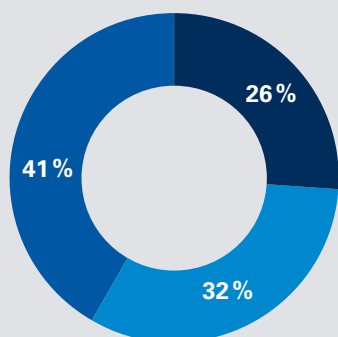


	Invested assets	Total
● Commercial mortgages	\$5,138,927	10%
● Private debt	\$21,215,988	42%
● Private equity and infrastructure	\$21,914,020	43%
● Real estate	\$2,154,016	4%
Total	\$50,422,951	100%

Bond portfolio of iA PAR account

As at June 30, 2025

The bond portfolio includes high quality government bonds, corporate bonds and private debt of various durations and sector.

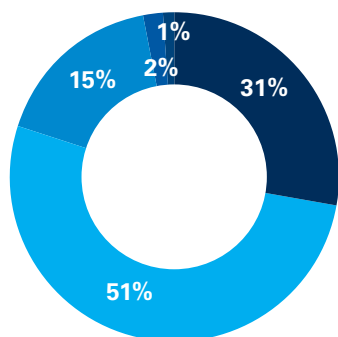


Quality	Governmental Bonds	Corporate Bonds	Private debt	Invested assets	Total
● AA	\$13,704,802	\$1,643,892	\$487,090	\$15,835,783	26%
● A	\$-	\$9,665,611	\$9,993,553	\$19,659,165	32%
● BBB	\$-	\$14,386,482	\$10,735,345	\$25,121,827	41%
Total	\$13,704,802	\$25,695,985	\$21,215,988	\$60,616,775	100%

Common shares portfolio of iA PAR account

As at June 30, 2025

The common share portfolio is diversified across different sectors and geographies.



Geographies	Invested assets	Total
● Canada	\$5,300,942	31%
● United States	\$8,677,863	51%
● Europe (UK, France, Germany)	\$2,632,051	15%
● Asia (Japan)	\$331,644	2%
● Other	\$69,466	1%
Total	\$17 011 966	100%

Annual return, dividend interest scale interest rate (DSIR) and simulation

The performance of iA PAR account is critical for policyholders, as investment income constitute a significant portion of the dividend.

Returns realized on assets in the participating account impact the dividend scale interest rate (DSIR) used for dividend calculation. We apply a smoothing technique to amortize yields, provide stability and minimise volatility. The DSIR calculation also consider our future return expectations for the account.

The chart below displays the iA PAR account returns since inception in 2020, as well as a simulation of past results. Past performance cannot guarantee future results, but it provides insights into the level of return and volatility that a similar fund would have experienced during those years.

For comparison purposes, the performance of S&P/TSX total return and the FTSE Canada Universe Bond Index are also shown. All returns displayed are on a marked-to-market basis, and include, among other things, interest payments, capital gains, and dividends.

		% iA PAR DSIR	% iA PAR Account Annual Return	% S&P/TSX Composite Total Annual Return	% FTSE Canada Universe Bond Index Annual Return
2010		–	9.88	17.61	6.74
2011		–	9.18	-8.71	9.67
2012		–	9.77	7.19	3.60
2013		–	6.27	12.99	-1.19
2014		–	9.20	10.55	8.79
2015		–	3.63	-8.32	3.52
2016		–	5.89	21.08	1.66
2017		–	8.93	9.10	2.52
2018		–	2.15	-8.89	1.41
2019		–	10.82	22.88	6.87
2020		5.75	14.01	5.60	8.68
2021		5.75	5.97	25.09	-2.54
2022		5.75	-11.12	-5.84	-11.69
2023		6.00	7.38	11.75	6.69
2024		6.25	8.21	21.65	4.23
2025		6.35			
Since 2010	Average return	–	6.52	8.28	3.12
	Standard deviation*	–	5.73	12.03	5.49
Since 2020	Average return	–	4.53	11.08	0.79
	Standard deviation*	–	9.46	12.48	8.30

● Simulation of past performance

As at December 31, 2024
Sources: Indices S&P Dow Jones, FTSE Russell

* Standard deviation is a statistical measure of volatility of the returns around the average return. As noted in the above table, the volatility is lower for less risky and lower yielding investments, like the bond index. It is higher for riskier and higher yielding investments, like the equity market index. It demonstrates that the iA PAR account provides a very interesting risk/return trade-off.

Appendix

Simulation method

The simulation model for the iA PAR account was based on its target asset allocation and used indexes or a mix of indexes that accurately recreated the risk and return profile of each asset class, with monthly rebalancing. The following indexes were used:

Bonds, Commercial Mortgages and Private Debt

- FTSE Canada Long Provincial Bond
- FTSE Canada Mid Provincial Bond
- FTSE Canada Long Corporate
- FTSE Canada Mid Corporate
- FTSE Canada Short Term Bond Index

Preferred Shares

- S&P/TSX Preferred Shares Index

Common Shares

- MSCI World Net Return in Local Currency

Real Estate

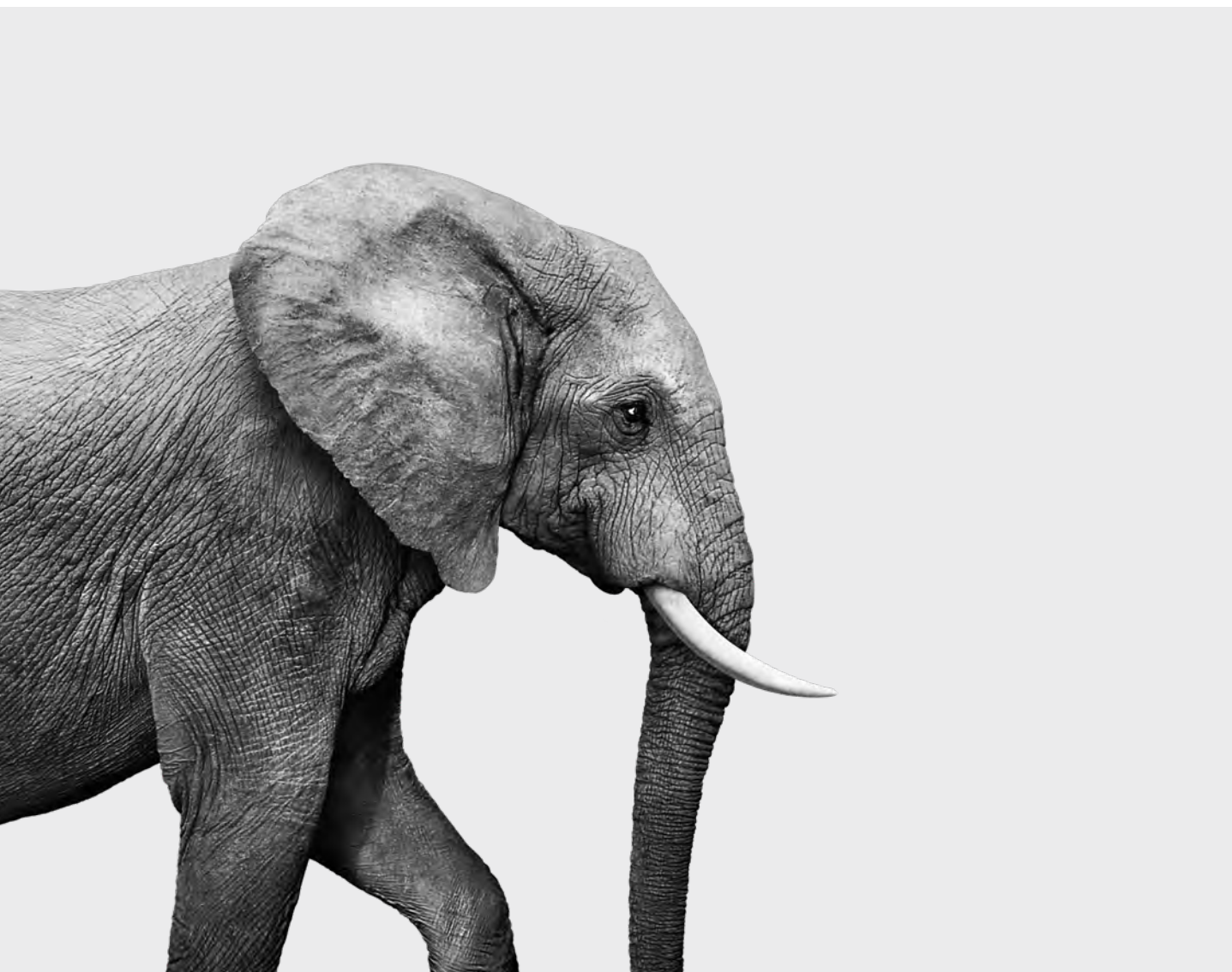
- MSCI/RealPAC- Canadian Office Index

Private Equity and Infrastructure

- S&P/TSX Composite Index
- ICE Bofa 25+ Year Canadian Government Index

These indexes were balanced, and spreads were adjusted to reflect the risk and return of this asset class as well as the target duration and allocation of iA PAR account.





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