

# Empower Guaranteed Income Fund

2021 credited rate = 1.00%

## Type of fund

The Empower Guaranteed Income Fund is a general account product of Great-West Life & Annuity Insurance Company (GWLA). Because the Guaranteed Income Fund is a general account product offered through a funding agreement, investor principal and interest are backed by the entire general account assets of GWLA.

## Investment strategy

The investment strategy employed for this product seeks to achieve consistent returns to support a competitive credited rate. Bonds invested in the general account segment have an average maturity between three and seven years; are investment-grade in quality; and are diversified across a range of fixed-income asset classes such as asset-backed securities, mortgage-backed securities, commercial mortgage-backed securities, commercial mortgages, private equity, etc.

## Underlying product facts

**Asset class:** Capital preservation/Insurance company general account

**Manager:** GWLA

## Interest crediting method

The Guaranteed Income Fund credits interest daily to the group agreementholder on a portfolio basis. The credited interest rate may change or stay the same each year. The annual credited rate applies to all money deposited in the agreementholder's account regardless of when it was deposited.

## What are general account products?

General account products within tax-deferred accounts are offerings through which insurance companies guarantee both principal and interest to investors invested in the products. This affords investors the ability to both preserve

capital and, historically, investors have generally received a higher credited rate than what is offered by money market funds in most interest rate environments. General account products tend to be less volatile than equities or bond funds.

## What is the ticker for this investment?

Given that general account products are exempt securities, there would be neither a ticker symbol nor a prospectus for this investment. For more information, please review the disclosure statement provided within the custodial agreement for your IRA.

## Is there a guaranteed minimum rate of interest?

Yes. The lifetime guaranteed minimum interest rate is 1%. Credited interest rates will never fall below this amount.

## What is the fee for general account products?

General account crediting rates are net of cost of capital and expenses covered by the fund and guarantee provisions.

Essentially, the nature of the product is such that GWLA guarantees a credited rate in advance and attempts to obtain a yield that exceeds it. The "spread" between the yield obtained and the crediting rate guaranteed is retained by GWLA to pay the aforementioned expenses associated with the general account.

## Are there any transfer or withdrawal restrictions?

Based on GWLA's excessive trading policy, investor transfers may be restricted for up to 30 days in the event of excessive investor trading. If the group contract holder chooses a book value payout for termination, investor transfer restrictions may apply until the money is paid to the new investment option. Guaranteed Income Fund transactions are processed after the resolution of closed or disrupted financial exchanges or markets.

Effective date: 1/1/2021

# General account information

**Total net assets:**<sup>1</sup> \$29.6 billion

**Liabilities:**<sup>1</sup> \$26.6 billion

**Shareholder equity & accumulated surplus:**<sup>1</sup> \$3.0 billion

Outside rating agencies have rated GWLA as follows:

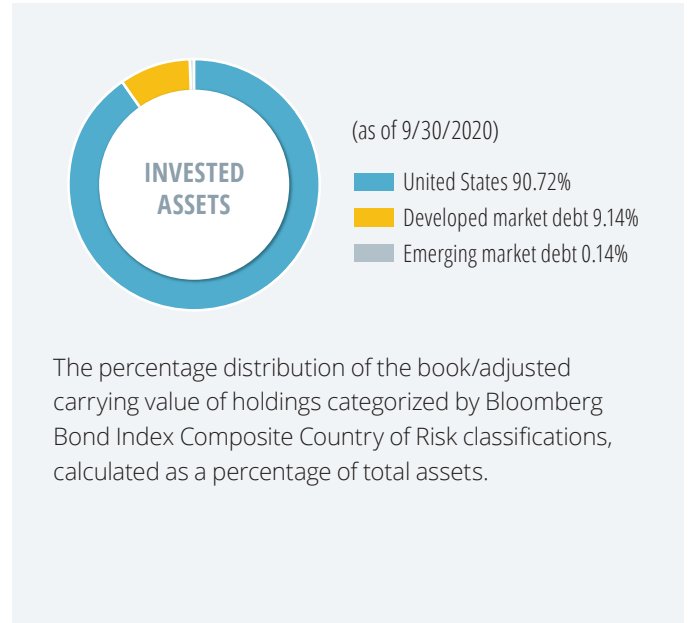
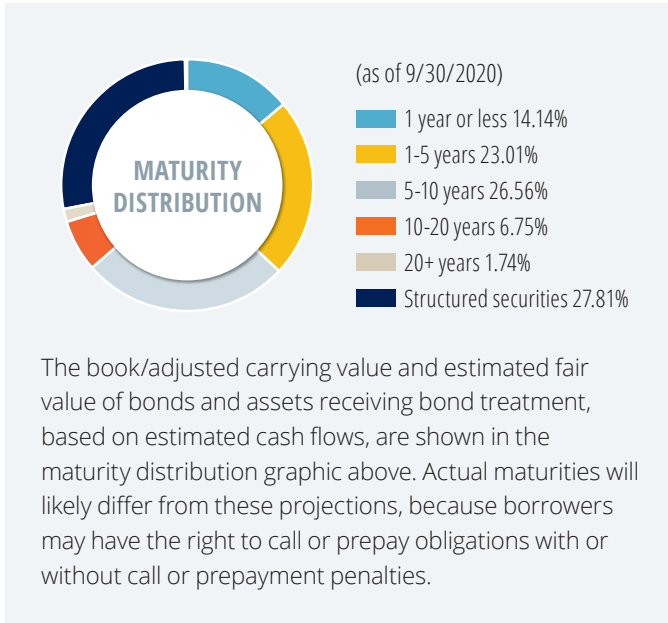
GWLA	Financial ratings*
<b>AA</b>	<b>Standard &amp; Poor's Ratings Services</b> Financial strength: Very strong (second highest of nine categories)
<b>Aa3</b>	<b>Moody's Investors Service</b> Financial strength: Excellent (second highest of nine categories)
<b>AA</b>	<b>Fitch Ratings</b> Financial strength: Very strong (second highest of nine categories)
<b>A+</b>	<b>A.M. Best Company, Inc.</b> Financial strength: Superior (highest of 7 rating categories and second highest of thirteen possible ratings)

\* As of December 31, 2020. Ratings are subject to change and represent the opinions of the rating agencies regarding the financial strength of GWLA and its ability to meet ongoing obligations to its policyholders.

## Portfolio composition of admitted cash and invested assets<sup>2</sup>

<b>U.S. government Treasury &amp; agency securities</b>	<b>\$1,807,879</b>	<b>6.69%</b>
U.S. government securities	\$6,018	0.02%
U.S. government agency	\$22,625	0.08%
U.S. agency	\$1,779,236	6.59%
<b>Industrial &amp; miscellaneous</b>	<b>\$13,757,734</b>	<b>50.93%</b>
Bonds	\$10,439,818	38.65%
Communications	\$385,228	1.43%
Consumer products & services	\$1,525,322	5.65%
Financial services	\$3,413,555	12.64%
Healthcare related	\$610,305	2.26%
Industrial products & services	\$901,370	3.34%
Natural resources	\$1,052,803	3.90%
Technology	\$776,103	2.87%
Transportation	\$415,828	1.54%
Utilities	\$1,359,306	5.03%
Securitized credit	\$3,317,916	12.28%
Asset-backed securities	\$1,965,543	7.28%
Collateralized loan obligations	\$1,301,098	4.82%
Mortgage-backed securities	\$51,276	0.19%
<b>States &amp; political subdivisions</b>	<b>\$765,203</b>	<b>2.83%</b>
U.S. states, territories & possessions	\$585,561	2.17%
Political subdivisions of states & territories	\$179,642	0.67%
<b>Hybrid securities &amp; parent, subsidiaries/affiliates</b>	<b>\$174,503</b>	<b>0.65%</b>
<b>Bank loans</b>	<b>\$9,776</b>	<b>0.04%</b>
<b>Other invested assets</b>	<b>\$7,543,052</b>	<b>27.93%</b>
Common stock	\$150,529	0.56%
Mortgage loans (net of allowance of \$746K)	\$2,627,422	9.73%
Real estate	\$44,675	0.17%
Contract loans	\$4,040,527	14.96%
Derivatives	\$234,796	0.87%
Receivables for securities	\$17,904	0.07%
Securities lending collateral assets	\$66,170	0.24%
Other invested assets	\$361,029	1.34%
<b>Cash, cash equivalents and short-term investments</b>	<b>\$2,953,213</b>	<b>10.93%</b>
<b>TOTAL CASH AND INVESTED ASSETS</b>	<b>\$27,011,361</b>	<b>100%</b>

Because the general account is offered through the group funding agreement, participant principal and interest are fully guaranteed by the entire general account assets of GWLA. These assets are primarily high-quality, fixed-income bonds, with an approximately 99% rated investment grade as of September 30, 2020.



- 1 Assets under management refers to general account products managed by GWLA. Insurance company AUM is as of the publicly available reporting period of September 30, 2020. AUM is a non-GAAP measure and does not reflect the financial strength of the company.
- 2 As of September 30, 2020. Line items are primarily carrying/book value. However, other methods of measurement (i.e., market value may be used per statutory financial reporting standards).

The Empower Guaranteed Income Fund is a general account funding agreement issued by Great-West Life & Annuity Insurance Company, Corporate Headquarters: Greenwood Village, to its affiliate Great-West Trust Company LLC, the custodian. The fund guarantees principal and credited interest for IRA Program participant withdrawals and transfers. Any guarantees are subject to the terms and conditions of the funding agreement, and the claims-paying ability of the insurer. There may be certain transfer restrictions associated with termination of the funding agreement and/or excess trading activity. GWLA may refuse additional participant contributions, or refuse to admit new program participants, or may terminate the funding agreement at any time, with advance written notice to the holder of the group funding agreement. This fund is not approved in New York.

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