

## IMR Update

### Minimal Exposure to Faulty U.S. Banks

On March 10, 2023, Silicon Valley Bank (SVB) failed after a bank run, causing the largest bank failure in the U.S. since the 2008 Financial Crisis and the second-largest in U.S. history. Silicon Valley Bank was an institution that specialized in providing banking and financial services to the technology and life sciences industries as well as private equity and venture capital firms.

Following the SVB collapse, On March 12, 2023, Signature Bank, a New York based financial institution with deep ties to the cryptocurrency industry, collapsed after depositors made a run on the bank. Then on March 13, 2023, San Francisco-based First Republic Bank experienced sharp stock losses due to fears of bank contagion before national regulators took emergency measures, and First Republic secured additional financing through JPMorgan and the U.S. Federal Reserve.

The Canada Life Investment Manager Review team has reviewed exposures across fund lineups in these U.S. banks and has determined that there is minimal exposure and has not had a material impact to fund performance. Investment managers across Canada Life platforms have been diligent in analyzing potential risks in these types of situations and continue to monitor any potential market impacts as a result of what has already occurred.

Canada Life's IMR Team continues to monitor U.S. bank exposures and maintains regular contact with investment managers regarding these minor positions. IMR regularly reviews investment lineups and the investment managers that have been hired as best in class sub-advisors as part of their overall monitoring plan across business units in order to keep on top of these types of market situations.

March 13, 2023

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