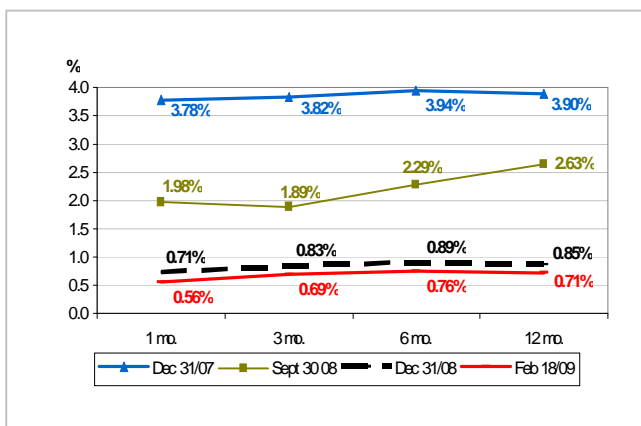


# INVESTMENTS

## The effect of low interest rates on money market funds

We want to make you aware of recent money market fund performance. Due to the tough financial markets and weakening economy, interest rates on short-term debt issued by the federal government have hit historic lows. This has caused some money market funds to produce zero or even negative returns after investment management fees have been applied.

### Canadian Treasury-bill (T-bill) yields\*



Source: Bank of Canada, Feb. 18, 2009

### What should you do?

Money market funds are best used as a short-term investment option and aren't optimal for long-term investing. You shouldn't be concerned about the fluctuations in money market funds if you're using the fund as a temporary investment while you're thinking about long-term options or if you'll need to use the money in the near future.

However, if you're waiting to make an investment decision, and have chosen money market funds in the meantime, now is a good time to reassess your investment decision.

You can determine your current holdings in money market funds by checking your most recent statement or by going to our website, [www.grsaccess.com](http://www.grsaccess.com). More detailed information about money market funds is also available on *GRS Access*.

If you decide to make changes, we recommend you complete the *Investment personality questionnaire* found on *GRS Access* to help you choose appropriate investment options that match your risk profile and long-term investment goals.

If you have any questions, call *Access Line* at 1-800-724-3402 on weekdays between 8 a.m. and 8 p.m. ET to speak with a bilingual client service representative.

### A closer look at money market funds

Simply put, money market funds are invested in high quality, short-term loans to various Canadian companies and government bodies. In most cases, Canadian T-bills are the primary holding in the money market funds because of its minimal risk of default and high liquidity. Money market funds aren't insured or guaranteed by the Canada Deposit Insurance Corporation or any other government agency. The returns on money market funds move in the same direction of short-term interest rates, mainly Canadian T-bill yields.

Just like any other fund, money market funds are subject to market fluctuations and other risks like interest rate and inflation.

Money market funds have very low risk and can be easily accessed.

\***Canadian Treasury bills (T-bills)** are short-term government debts issued by the Canadian government. T-bills pay no interest, but are sold at a discount. The principal and interest are guaranteed by the Government of Canada and the maturity dates come due at one month, three months, six months or one year.

**Treasury bill yield** is the return generated from the difference between the discount price and the value at maturity. For example, a T-bill maturing at \$100 might be bought at a discounted price of \$95, earning \$5 over the term of maturity. For a one-year bill, this would represent a yield or a return to maturity of five per cent.

The views expressed in this commentary are those of Great-West Life as at the date of publication and are subject to change without notice. This commentary is presented only as a general source of information and is not intended as a solicitation to buy or sell specific investments, nor is it intended to provide tax or legal advice. Prospective investors should review all documents relating to any investment carefully before making an investment decision and should ask their advisors for guidance based on their specific circumstances. Great-West Life and the key design are trademarks of The Great-West Life Assurance Company (Great-West), used under license by its subsidiaries, London Life Insurance Company (London Life) and The Canada Life Assurance Company (Canada Life). Group retirement, savings and payout annuity products are issued by London Life and Canada Life respectively, and marketed and serviced by Great-West.