

CANADA LIFE NORTH AMERICAN HIGH YIELD BOND FUND

(Formerly North American High Yield Bond Fund)

Annual Management Report of Fund Performance

For the Year Ended March 31, 2021

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information, by visiting our website at www.canadalifeinvest.ca or by visiting the SEDAR website at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.

For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Canada Life Investment Management Ltd. to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

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Management Discussion of Fund Performance

June 3, 2021

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended March 31, 2021 (the "period"), that have affected the Fund's performance and outlook. If the Fund was established during the period, "period" represents the period from inception to the end of the fiscal period. For information on the Fund's longer-term performance, as applicable, please refer to the *Past Performance* section of the report. In this report, "CLIML" refers to Canada Life Investment Management Ltd., the manager of the Fund. CLIML is wholly owned by The Canada Life Assurance Company ("Canada Life"). CLIML has entered into a fund administration agreement with Mackenzie Financial Corporation ("Mackenzie"), an affiliate of CLIML and Canada Life, for administrative services (see *Recent Developments*). In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Investment Objective and Strategies

The Fund seeks above-average income with potential for long-term capital growth by investing primarily in high-yield U.S. and Canadian corporate fixed income securities, either directly or through other mutual funds. It currently invests all its assets in Mackenzie North American Corporate Bond Fund (the "Underlying Fund").

Risk

The risks of the Fund remain as discussed in the Fund's Simplified Prospectus.

The Fund is suitable for medium-term investors looking for a North American fixed income fund to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low to medium tolerance for risk.

Results of Operations

Investment Performance

The performance of the Fund's Q Series (formerly Quadrus Series) securities is discussed below. The performance of all series is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

During the period, the Fund's Q Series securities returned 16.2% (after deducting fees and expenses paid by the series). This compares with a return of 1.6% for the Fund's broad-based index, the FTSE Canada Universe Bond Index, and a return of 24.8% for a blended index composed of a 75% weighting in the ICE BofA U.S. High Yield (Hedged) Index (returned 22.7%) and a 25% weighting in the ICE BofA High Yield Canadian Issuers (Hedged) Index (returned 31.4%). All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

To combat economic challenges created by the COVID-19 pandemic, the Bank of Canada maintained extraordinary monetary and fiscal policy measures during the period. These measures included keeping its policy interest rate at 0.25% and making substantial bond purchases. Toward the end of the period, yields on 10-year government bonds increased to pre-pandemic levels. Despite a stronger near-term economic outlook at the end of the period, the central bank indicated willingness to maintain the pace of its asset purchase program.

The high-yield market performed well as investors anticipated economic growth and rising inflation because of expected progress in containing COVID-19. High-yield spreads (the difference in yield between government bonds and high-yield bonds of similar maturity) narrowed by almost 575 basis points as a result of accommodative monetary policy and government stimulus packages, leading to expectations of a stronger economic recovery. The typically lower duration of the high-yield sector was also a benefit as long-term treasury yields approached pre-pandemic highs.

The Fund outperformed the broad-based index, with the Underlying Fund's shorter duration contributing to performance as yields rose. Holdings in high-yield corporate bonds also contributed as they outperformed investment grade bonds. Given the Fund's mandate, the return of the blended index is a more meaningful comparison.

The Fund underperformed the blended index, with the Underlying Fund's holdings in term loans and security selection among energy sector corporate bonds detracting from performance. The Underlying Fund's cash position also detracted as markets rose.

Conversely, the Underlying Fund's exposure to corporate bonds in the basic industry, financial services and leisure sectors contributed to performance.

The Underlying Fund's foreign currency exposure was not fully hedged. The unhedged exposure detracted from performance as a result of the overall depreciation of the unhedged currencies relative to the Canadian dollar.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the Underlying Fund.

Net Assets

The Fund's NAV increased by 1.7% to \$54.2 million at March 31, 2021, from \$53.3 million at March 31, 2020. This change was composed primarily of \$8.7 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, and \$7.8 million in net redemptions.

Fees and Expenses

The management expense ratio ("MER") for Q Series of 1.87% during the year ended March 31, 2021, was unchanged from the MER for the year ended March 31, 2020. The MERs (before and after waivers or absorptions, if any) for all series are presented in the *Financial Highlights* section of this report.

Recent Developments

Governments worldwide have enacted various measures in seeking to combat the spread of the COVID-19 virus. These measures have led to significant volatility in equity markets and material disruption to businesses globally, resulting in an economic slowdown.

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Ongoing uncertainty regarding the duration and long-term impact of the pandemic and the implementation of vaccination programs, as well as the efficacy of government and central bank monetary and fiscal interventions, may continue to affect the Fund's performance in future periods.

Over the near term, the portfolio management team of the Underlying Fund expects yields to remain elevated at the longer-term end of the yield curve, with U.S. nominal gross domestic product growth likely to be about 8% in 2021. Markets are widely anticipating strong Consumer Price Index data through mid-2021, but the team believes there is sensitivity surrounding this data. Consequently, any positive surprise stemming from higher expenditures due to pent-up savings, spending from stimulus cheques or higher gasoline prices could cause yields to move even higher.

The team expects the high-yield and term loan markets to perform well as investors continue to seek higher yields and lower duration in a low interest rate environment. The team further expects a recovery in credit fundamentals as economies reopen following mass vaccination programs, as well as a more normalized default rate. The team believes that issuer selection and credit research will be important to finding attractive opportunities as the economy gains strength.

On August 14, 2020, the Fund was renamed Canada Life North American High Yield Bond Fund.

Effective January 1, 2021, the Fund's manager and trustee changed from Mackenzie to CLIML following CLIML's receipt of regulatory approval to be registered as an investment fund manager. This change received a positive recommendation from the Mackenzie Funds' Independent Review Committee ("IRC"). Mackenzie continues to provide certain administrative and transfer agency services to the Fund.

Also effective January 1, 2021, the Mackenzie Funds' IRC was replaced by the Canada Life Funds' IRC, which consists of the following three members: Steve Geist (Chair), Joanne De Laurentiis and Linda Currie.

Related Party Transactions

The following arrangements result in fees paid by the Fund to CLIML or to companies affiliated with the Fund.

Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to Mackenzie for the period from April 1 to December 31, 2020 ("the pre-manager change period"), and to CLIML thereafter at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. After the pre-manager change period, CLIML paid the administration fee to Mackenzie for providing day-to-day administration services, including financial reporting, communications to investors and securityholder reporting, maintaining the books and records of the Fund, NAV calculations, and processing orders for securities of the Fund. In return for the administration fees, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not included in management fees. See also *Management Fees*.

Other Related Party Transactions

Mackenzie relied on a recommendation issued by the Mackenzie Funds' Independent Review Committee to replace Mackenzie with CLIML as the Fund's manager and trustee in January 2021.

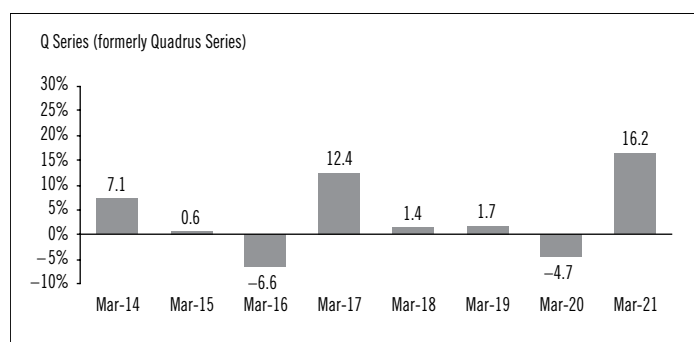
Past Performance

The Fund's past performance information is presented in the following charts and table. It assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The charts and table do not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

If you hold this Fund outside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional securities of the Fund. The amount of reinvested taxable distributions is added to the adjusted cost base of the securities that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-Year Returns

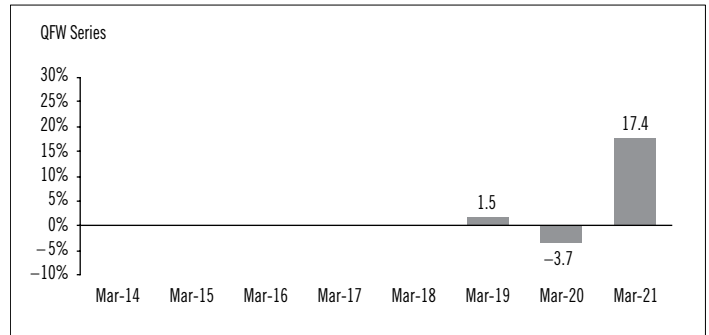
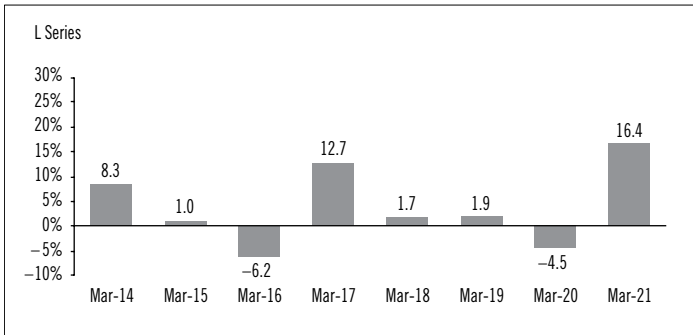
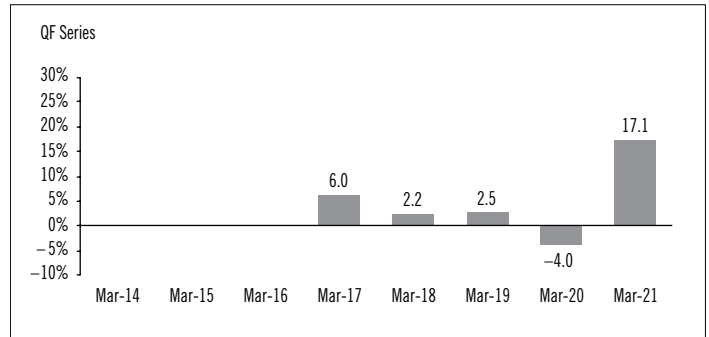
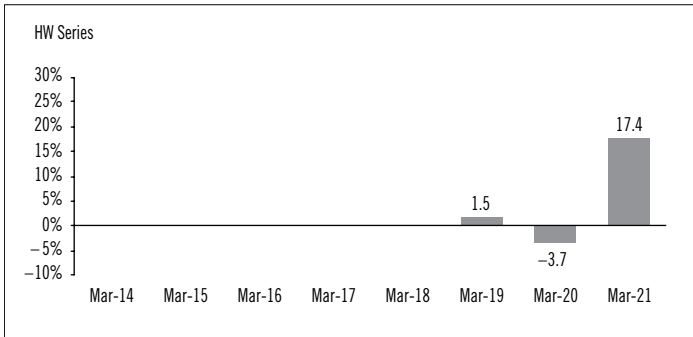
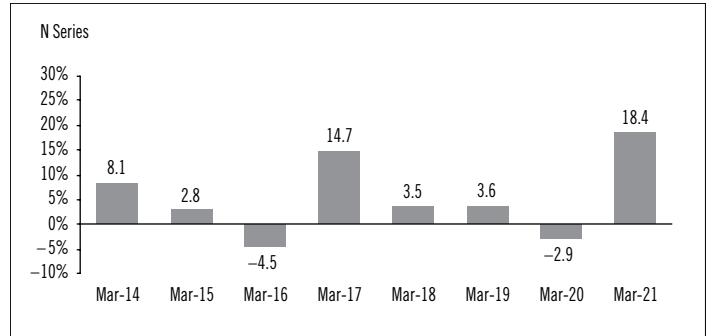
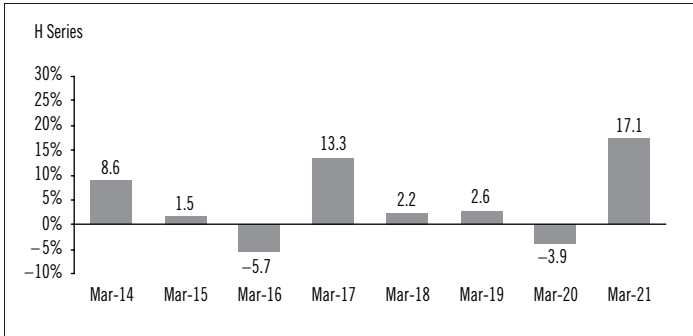
The following bar charts present the performance of each series of the Fund for each of the fiscal periods shown. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.



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Annual Compound Returns

The following table compares the historical annual compound total returns for each series of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2021. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return: ¹	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception ²
Q Series (formerly Quadrus Series)	16.2	4.0	5.1	n/a	3.4
H Series	17.1	4.9	6.0	n/a	4.4
HW Series	17.4	n/a	n/a	n/a	5.3
L Series	16.4	4.3	5.4	n/a	3.8
N Series	18.4	6.0	7.2	n/a	5.4
QF Series	17.1	4.9	n/a	n/a	4.8
QFW Series	17.4	n/a	n/a	n/a	5.3
Blended Index	24.8	5.7	7.7	n/a	Note 3
FTSE Canada Universe Bond Index*	1.6	3.8	2.8	n/a	Note 4
ICE BofA U.S. High Yield (Hedged) Index	22.7	5.4	7.1	n/a	Note 5
ICE BofA High Yield Canadian Issuers (Hedged) Index	31.4	6.5	9.6	n/a	Note 6

* Broad-based index

The blended index is composed of 75% ICE BofA U.S. High Yield (Hedged) Index and 25% ICE BofA High Yield Canadian Issuers (Hedged) Index.

The FTSE Canada Universe Bond Index is a broad measure of Canadian bonds with terms to maturity of more than one year. It includes federal, provincial, municipal and corporate bonds rated "BBB" or higher.

The ICE BofA U.S. High Yield (Hedged) Index tracks the performance of non-investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. market. Qualifying bonds must have a remaining term to maturity of at least one year, a fixed coupon schedule and a minimum outstanding amount of US\$100 million. The foreign currency exposure is hedged to the Canadian dollar.

The ICE BofA High Yield Canadian Issuers (Hedged) Index tracks the performance of non-investment grade debt publicly issued by Canadian corporations. Qualifying bonds must have a remaining term to maturity of at least one year, a fixed coupon schedule and a minimum outstanding amount of C\$100 million. The foreign currency exposure is hedged to the Canadian dollar.

- (1) The percentage return differs for each series because the management fee rate and expenses differ for each series.
- (2) The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years.
- (3) The return of the blended index since inception for each applicable series is as follows: Q Series (formerly Quadrus Series) 5.6%, H Series 5.8%, HW Series 5.6%, L Series 5.7%, N Series 5.6%, QF Series 6.0%, QFW Series 5.6%.
- (4) The return of the FTSE Canada Universe Bond Index since inception for each applicable series is as follows: Q Series (formerly Quadrus Series) 3.6%, H Series 3.7%, HW Series 4.5%, L Series 3.7%, N Series 3.6%, QF Series 2.4%, QFW Series 4.5%.
- (5) The return of the ICE BofA U.S. High Yield (Hedged) Index since inception for each applicable series is as follows: Q Series (formerly Quadrus Series) 5.4%, H Series 5.5%, HW Series 5.3%, L Series 5.5%, N Series 5.3%, QF Series 5.7%, QFW Series 5.3%.
- (6) The return of the ICE BofA High Yield Canadian Issuers (Hedged) Index since inception for each applicable series is as follows: Q Series (formerly Quadrus Series) 6.2%, H Series 6.3%, HW Series 6.6%, L Series 6.3%, N Series 6.2%, QF Series 7.1%, QFW Series 6.6%.

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Summary of Investment Portfolio of the Underlying Fund* at March 31, 2021

Portfolio Allocation	% of NAV
Bonds	93.2
Cash and short-term investments	4.6
Equities	1.9
Exchange-traded funds/notes	1.7
Other assets (liabilities)	(1.4)

Regional Allocation	% of NAV
United States	60.9
Canada	22.5
Cash and short-term investments	4.6
United Kingdom	2.6
Other	2.5
Luxembourg	1.6
Netherlands	1.5
France	1.3
Mexico	0.9
Israel	0.7
Brazil	0.6
Zambia	0.5
Switzerland	0.4
Chile	0.4
Australia	0.4
Other assets (liabilities)	(1.4)

Sector Allocation	% of NAV
Corporate bonds – Energy	14.7
Term loans	14.6
Corporate bonds – Media	10.6
Other	9.1
Corporate bonds – Healthcare	7.8
Corporate bonds – Capital goods	6.1
Corporate bonds – Basic industry	5.9
Corporate bonds – Retail	5.8
Corporate bonds – Telecommunications	5.1
Cash and short-term investments	4.6
Corporate bonds – Utility	4.0
Corporate bonds – Consumer goods	3.3
Corporate bonds – Services	2.8
Corporate bonds – Technology and electronics	2.5
Corporate bonds – Real estate	2.3
Corporate bonds – Automotive	2.2
Other assets (liabilities)	(1.4)

Net Currency Exposure	% of NAV
Canadian dollar	87.6
U.S. dollar	12.1
Euro	0.3

Bonds by Credit Rating**	% of NAV
AA	0.2
A	0.9
BBB	8.6
BB	37.2
B	31.2
Less than B	10.6
Unrated	4.5

Top 25 Positions of the Underlying Fund*

Issuer/Underlying Fund	% of NAV
Cash and short-term investments	4.6
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.3
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	1.2
Keyera Corp. F/R 06-13-2079 Callable 2029	1.1
Mackenzie Emerging Markets Local Currency Bond Index ETF	1.0
CCO Holdings LLC 5.38% 06-01-2029 Callable 2024	0.9
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021	0.9
Clearway Energy Operating LLC 4.75% 03-15-2028 Callable 2023	0.8
Numericable-SFR 7.38% 05-01-2026 Callable 2021	0.7
New Red Finance Inc. 4.00% 10-15-2030	0.7
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022	0.7
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021	0.7
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	0.7
TransCanada Trust F/R 05-18-2077 Callable 2027	0.6
Horizon Therapeutics PLC 5.50% 08-01-2027 Callable 2022	0.6
Petroleos Mexicanos 6.50% 03-13-2027	0.6
Pembina Pipeline Corp. F/R 01-25-2081	0.6
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	0.6
Vidéotron Ltée 5.13% 04-15-2027 Callable 2022	0.6
BWAY Holding Co. 7.25% 04-15-2025	0.6
Trulieve Cannabis Corp. 9.75% 06-18-2024	0.6
Rite Aid Corp. 7.70% 02-15-2027	0.6
Quebecor Media Inc. 6.63% 01-15-2023	0.6
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021	0.6
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	0.6

**Top long positions as a percentage
of total net asset value** **22.5**

* The Fund is currently fully invested in Mackenzie North American Corporate Bond Fund (the "Underlying Fund"). For the prospectus and other information about the Underlying Fund, visit www.sedar.com.

** Credit ratings and rating categories are based on ratings issued by a designated rating organization. This table includes only bonds held directly by the Underlying Fund.

The Underlying Fund held no short positions at the end of the period.

The investments and percentages may have changed since March 31, 2021, due to the ongoing portfolio transactions of the Fund and the Underlying Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the funds' fiscal year-end, when they are available within 90 days.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

THE FUND'S NET ASSETS PER SECURITY (\$)¹

	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Q Series (formerly Quadrus Series)					
Net assets, beginning of period	8.33	9.10	9.35	9.61	8.89
Increase (decrease) from operations:					
Total revenue	0.59	0.53	0.58	0.60	0.57
Total expenses	(0.16)	(0.17)	(0.16)	(0.19)	(0.20)
Realized gains (losses) for the period	(0.11)	(0.03)	(0.08)	–	(0.10)
Unrealized gains (losses) for the period	1.04	(0.71)	(0.19)	(0.28)	0.82
Total increase (decrease) from operations²	1.36	(0.38)	0.15	0.13	1.09
Distributions:					
From net investment income (excluding Canadian dividends)	(0.23)	(0.10)	(0.40)	(0.40)	(0.37)
From Canadian dividends	(0.21)	(0.26)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.44)	(0.36)	(0.40)	(0.40)	(0.37)
Net assets, end of period	9.22	8.33	9.10	9.35	9.61
H Series					
Net assets, beginning of period	8.26	9.03	9.29	9.55	8.86
Increase (decrease) from operations:					
Total revenue	0.58	0.53	0.58	0.59	0.56
Total expenses	(0.08)	(0.08)	(0.08)	(0.10)	(0.12)
Realized gains (losses) for the period	(0.04)	0.03	(0.07)	–	(0.01)
Unrealized gains (losses) for the period	1.03	(0.71)	(0.19)	(0.27)	0.82
Total increase (decrease) from operations²	1.49	(0.23)	0.24	0.22	1.25
Distributions:					
From net investment income (excluding Canadian dividends)	(0.27)	(0.13)	(0.49)	(0.48)	(0.47)
From Canadian dividends	(0.25)	(0.32)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.52)	(0.45)	(0.49)	(0.48)	(0.47)
Net assets, end of period	9.14	8.26	9.03	9.29	9.55

HW Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	8.97	9.79	10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.64	0.57	0.40	n/a	n/a
Total expenses	(0.08)	(0.08)	(0.05)	n/a	n/a
Realized gains (losses) for the period	(0.51)	(0.20)	(0.10)	n/a	n/a
Unrealized gains (losses) for the period	1.13	(0.77)	(0.13)	n/a	n/a
Total increase (decrease) from operations²	1.18	(0.48)	0.12	n/a	n/a
Distributions:					
From net investment income (excluding Canadian dividends)	(0.29)	(0.14)	(0.35)	n/a	n/a
From Canadian dividends	(0.28)	(0.35)	–	n/a	n/a
From capital gains	–	–	–	n/a	n/a
Return of capital	–	–	–	n/a	n/a
Total annual distributions³	(0.57)	(0.49)	(0.35)	n/a	n/a
Net assets, end of period	9.94	8.97	9.79	n/a	n/a
L Series					
Net assets, beginning of period	8.40	9.16	9.40	9.66	8.94
Increase (decrease) from operations:					
Total revenue	0.60	0.53	0.59	0.60	0.57
Total expenses	(0.15)	(0.15)	(0.15)	(0.17)	(0.17)
Realized gains (losses) for the period	(0.10)	(0.09)	(0.06)	(0.01)	(0.11)
Unrealized gains (losses) for the period	1.05	(0.72)	(0.19)	(0.28)	0.83
Total increase (decrease) from operations²	1.40	(0.43)	0.19	0.14	1.12
Distributions:					
From net investment income (excluding Canadian dividends)	(0.24)	(0.11)	(0.42)	(0.42)	(0.40)
From Canadian dividends	(0.22)	(0.27)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.46)	(0.38)	(0.42)	(0.42)	(0.40)
Net assets, end of period	9.30	8.40	9.16	9.40	9.66

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.

(2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.

(3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

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THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)

N Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	8.39	9.16	9.41	9.66	8.95
Increase (decrease) from operations:					
Total revenue	0.60	0.53	0.58	0.60	0.57
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	(0.11)	(0.07)	(0.05)	(0.03)	(0.12)
Unrealized gains (losses) for the period	1.05	(0.72)	(0.19)	(0.28)	0.83
Total increase (decrease) from operations²	1.54	(0.26)	0.34	0.29	1.28
Distributions:					
From net investment income (excluding Canadian dividends)	(0.30)	(0.14)	(0.57)	(0.58)	(0.59)
From Canadian dividends	(0.30)	(0.39)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.60)	(0.53)	(0.57)	(0.58)	(0.59)
Net assets, end of period	9.31	8.39	9.16	9.41	9.66

QF Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	8.98	9.82	10.08	10.30	10.00
Increase (decrease) from operations:					
Total revenue	0.64	0.57	0.62	0.61	0.44
Total expenses	(0.10)	(0.10)	(0.10)	(0.13)	(0.10)
Realized gains (losses) for the period	(0.14)	(0.13)	0.04	(0.25)	(0.47)
Unrealized gains (losses) for the period	1.12	(0.77)	(0.20)	(0.28)	0.63
Total increase (decrease) from operations²	1.52	(0.43)	0.36	(0.05)	0.50
Distributions:					
From net investment income (excluding Canadian dividends)	(0.28)	(0.13)	(0.51)	(0.45)	(0.29)
From Canadian dividends	(0.27)	(0.34)	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.55)	(0.47)	(0.51)	(0.45)	(0.29)
Net assets, end of period	9.95	8.98	9.82	10.08	10.30

QFW Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	8.97	9.79	10.00	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.64	0.57	0.39	n/a	n/a
Total expenses	(0.08)	(0.08)	(0.05)	n/a	n/a
Realized gains (losses) for the period	(0.16)	(1.92)	0.29	n/a	n/a
Unrealized gains (losses) for the period	1.12	(0.77)	(0.13)	n/a	n/a
Total increase (decrease) from operations²	1.52	(2.20)	0.50	n/a	n/a
Distributions:					
From net investment income (excluding Canadian dividends)	(0.29)	(0.14)	(0.35)	n/a	n/a
From Canadian dividends	(0.28)	(0.35)	–	n/a	n/a
From capital gains	–	–	–	n/a	n/a
Return of capital	–	–	–	n/a	n/a
Total annual distributions³	(0.57)	(0.49)	(0.35)	n/a	n/a
Net assets, end of period	9.94	8.97	9.79	n/a	n/a

CANADA LIFE NORTH AMERICAN HIGH YIELD BOND FUND

(Formerly North American High Yield Bond Fund)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2021

RATIOS AND SUPPLEMENTAL DATA

	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2021	2020	2019	2018	2017
Q Series (formerly Quadrus Series)					
Total net asset value (\$000) ¹	15,378	15,352	18,245	19,569	17,474
Securities outstanding (000) ¹	1,668	1,843	2,005	2,094	1,818
Management expense ratio (%) ²	1.87	1.87	1.86	2.06	2.11
Management expense ratio before waivers or absorptions (%) ²	1.87	1.87	1.86	2.06	2.11
Trading expense ratio (%) ³	0.00	0.02	0.02	0.01	0.01
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	6.55	16.05
Net asset value per security (\$)	9.22	8.33	9.10	9.35	9.61
H Series					
Total net asset value (\$000) ¹	319	332	359	852	770
Securities outstanding (000) ¹	35	40	40	92	81
Management expense ratio (%) ²	1.02	1.00	1.00	1.24	1.27
Management expense ratio before waivers or absorptions (%) ²	1.02	1.00	1.00	1.24	1.27
Trading expense ratio (%) ³	0.00	0.02	0.02	0.01	0.01
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	6.55	16.05
Net asset value per security (\$)	9.14	8.26	9.03	9.29	9.55
HW Series					
Total net asset value (\$000) ¹	966	346	378	n/a	n/a
Securities outstanding (000) ¹	97	39	39	n/a	n/a
Management expense ratio (%) ²	0.79	0.78	0.78	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.79	0.78	0.78	n/a	n/a
Trading expense ratio (%) ³	0.00	0.02	0.02	n/a	n/a
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	n/a	n/a
Net asset value per security (\$)	9.94	8.97	9.79	n/a	n/a
L Series					
Total net asset value (\$000) ¹	11,585	11,576	12,504	12,215	10,328
Securities outstanding (000) ¹	1,246	1,379	1,365	1,299	1,069
Management expense ratio (%) ²	1.65	1.64	1.64	1.79	1.80
Management expense ratio before waivers or absorptions (%) ²	1.65	1.64	1.64	1.79	1.80
Trading expense ratio (%) ³	0.00	0.02	0.02	0.01	0.01
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	6.55	16.05
Net asset value per security (\$)	9.30	8.40	9.16	9.41	9.66

	Mar. 31	Mar. 31	Mar. 31	Mar. 31	Mar. 31
	2021	2020	2019	2018	2017
N Series					
Total net asset value (\$000) ¹	19,062	19,419	20,408	17,657	12,335
Securities outstanding (000) ¹	2,048	2,315	2,229	1,877	1,278
Management expense ratio (%) ²	-	-	-	-	-
Management expense ratio before waivers or absorptions (%) ²	-	-	-	-	-
Trading expense ratio (%) ³	0.00	0.02	0.02	0.01	0.01
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	6.55	16.05
Net asset value per security (\$)	9.31	8.39	9.16	9.41	9.66
QF Series					
Total net asset value (\$000) ¹	5,816	5,367	4,729	1,573	69
Securities outstanding (000) ¹	585	597	482	156	7
Management expense ratio (%) ²	1.08	1.08	1.08	1.33	1.36
Management expense ratio before waivers or absorptions (%) ²	1.08	1.08	1.08	1.33	1.36
Trading expense ratio (%) ³	0.00	0.02	0.02	0.01	0.01
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	6.55	16.05
Net asset value per security (\$)	9.95	8.98	9.82	10.08	10.30
QFW Series					
Total net asset value (\$000) ¹	1,067	914	143	n/a	n/a
Securities outstanding (000) ¹	107	102	15	n/a	n/a
Management expense ratio (%) ²	0.80	0.80	0.80	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.80	0.80	0.80	n/a	n/a
Trading expense ratio (%) ³	0.00	0.02	0.02	n/a	n/a
Portfolio turnover rate (%) ⁴	11.01	12.44	8.86	n/a	n/a
Net asset value per security (\$)	9.94	8.97	9.79	n/a	n/a

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs, income taxes and withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. If in the period a series was established or reinstated, the management expense ratio is annualized from the date of inception or reinstatement. Mackenzie/CLIML may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

CANADA LIFE NORTH AMERICAN HIGH YIELD BOND FUND

(Formerly North American High Yield Bond Fund)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2021

Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie, in the pre-manager change period, and by CLIML thereafter, to pay for the costs of managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, including providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio. Subsequent to the change in manager, the Fund's management fees were used by CLIML in part to pay Mackenzie for investment advisory services.

Quadrus Investment Services Ltd. ("Quadrus"), an affiliate of CLIML and Mackenzie, is the principal distributor for the Fund and is paid trailing commissions out of the management fees. In the pre-manager change period, Canada Life provided certain services to Mackenzie in connection with Mackenzie's portfolio management activities. Canada Life was responsible for paying certain administrative costs and all sales commissions, trailing commissions and any other compensation (collectively, "distribution-related payments") to registered dealers whose clients invest in the Fund. As such, Quadrus and Canada Life received a portion of the management fees that the Fund paid to Mackenzie. Approximately 77% of the total management fees that Mackenzie received from the Canada Life Mutual Funds during the pre-manager change period was paid under these arrangements.

Subsequent to the change in manager, CLIML used the management fees to fund distribution-related payments to Quadrus and to registered dealers and brokers whose clients invest in the Fund.

Mackenzie and CLIML used approximately 38% of the total management fee revenues received from all Canada Life Mutual Funds during the year to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 26% of the management fees paid by all applicable series of the Fund during the year. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series.

CANADA LIFE NORTH AMERICAN HIGH YIELD BOND FUND

(Formerly North American High Yield Bond Fund)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2021

Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation June 28, 2013

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in *Financial Highlights*.

Series Distributed by Quadrus Investment Services Ltd. (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.canadalifeinvest.ca)

Q Series securities are offered to investors investing a minimum of \$500. Before August 14, 2020, Q Series securities were known as Quadrus Series.

H Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

HW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

L Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000.

N Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with CLIML and Quadrus.

QF Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

QFW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

An investor in the Fund may choose among different purchase options that are available under each series. These purchase options are a sales charge purchase option, a redemption charge purchase option, a low-load purchase option and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to CLIML if an investor redeems securities of the Fund during specific periods. Not all purchase options are available under each series of the Fund, and the charges for each purchase option may vary among the different series. For further details on these purchase options, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees
Q Series ⁽²⁾	July 12, 2013	1.45%	0.20%
H Series	July 5, 2013	0.75%	0.15%
HW Series	August 7, 2018	0.55%	0.15%
L Series	July 10, 2013	1.30%	0.15%
N Series	July 16, 2013	— ⁽¹⁾	— ⁽¹⁾
QF Series	July 12, 2016	0.75%	0.20%
QFW Series	August 7, 2018	0.55%	0.15%

(1) This fee is negotiable and payable directly to CLIML by investors in this series through redemptions of their securities.

(2) Before August 14, 2020, Q Series securities were known as Quadrus Series.