

CANADA LIFE LONG TERM BOND FUND

Annual Management Report of Fund Performance

For the Year Ended March 31, 2023

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 or by visiting our website at www.canadalifeinvest.ca or 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 Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

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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CANADA LIFE LONG TERM BOND FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2023

Management Discussion of Fund Performance

June 5, 2023

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the performance and outlook of Canada Life Long Term Bond Fund (the "Fund") in the financial year ended March 31, 2023 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "CLIML" and "the Manager" refer to Canada Life Investment Management Ltd., which is wholly owned by The Canada Life Assurance Company ("Canada Life"). The Manager has entered into a fund administration agreement with Mackenzie Financial Corporation ("Mackenzie"), an affiliate of the Manager and Canada Life, for administrative services. 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.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

Investment Objective and Strategies

The Fund seeks to provide interest income by investing primarily in a combination of publicly traded Canadian government bonds, corporate bonds, debentures, notes, mortgages and other income-producing securities, each with a term greater than 10 years. The Fund may hold up to 30% of its assets in foreign investments.

Risk

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

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

The Fund is currently available for investment only by other Canada Life funds.

Results of Operations

Investment Performance

The performance in the current and previous periods is shown in the *Past Performance* section of the report. The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

During the period, the Fund's Series R securities returned -7.3% (after deducting fees and expenses paid by the series). This compares with a return of -2.0% for the Fund's broad-based index, the FTSE Canada Universe Bond Index, and a return of -7.2% for the Fund's narrow index, the FTSE Canada Long Term Bond Index. 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.

In response to persistently high inflation, the Bank of Canada raised its policy rate by 400 basis points over the period, to 4.50% from 0.50%. Consequently, Government of Canada bond yields increased. The yield increase was more pronounced among shorter-term government bonds, which tend to be more sensitive to central bank policy moves. Higher rates in the government bond market also led Canadian corporate bond yields to increase significantly.

The Fund underperformed the broad-based index, with its longer duration (higher sensitivity to interest rates) detracting from performance as yields rose. Given the Fund's mandate, the return of the narrow index is a more meaningful comparison.

The Fund performed in line with the narrow index, with overweight exposure to corporate bonds contributing to performance. Conversely, security selection within corporate bonds, particularly in the infrastructure sector, detracted from performance, as did overweight exposure to provincial bonds.

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

At the end of the period, the Fund was positioned to take advantage of any further widening of credit spreads (the difference in yield between corporate and government bonds of similar maturity), in the portfolio management team's view. In addition, the team was actively monitoring the yield curve with the goal of maintaining a largely neutral duration relative to the narrow index. The team believes the Fund's holdings were well diversified, with adequate liquidity.

Net Assets

The Fund's net assets decreased by 24.0% during the period to \$18.6 million. This change was composed primarily of \$1.8 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$4.1 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The management expense ratio ("MER") during the year ended March 31, 2023, was generally similar to the MER for the year ended March 31, 2022. Total expenses paid vary from period to period mainly as a result of changes in average assets. No management fee or administration fee, other than certain specific fund costs, is charged to the Fund. The MERs are presented in the *Financial Highlights* section of this report.

Recent Developments

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the Fund.

Related Party Transactions

Certain other investment funds managed by CLIML and segregated fund policies issued by Canada Life may invest in the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2023, these other investment funds and segregated funds owned 89.2% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day. As a result of these investments, the Fund may be subject to large transaction risk as discussed in the Prospectus. CLIML manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions.

At March 31, 2023, Canada Life had an investment of \$2.0 million in the Fund (10.8% of the Fund's NAV). If Canada Life decides to redeem its investment, it will do so in a manner that reduces the possibility of adverse effects on the Fund.

The Manager relied on an approval provided by the Canada Life Funds' Independent Review Committee to appoint KPMG LLP as the auditor of the Fund, effective March 31, 2023.

CANADA LIFE LONG TERM BOND FUND

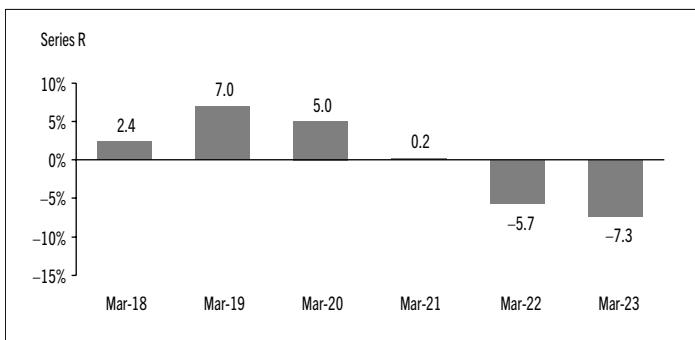
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2023

Past Performance

The Fund's past performance information is presented in the following chart 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 chart 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.

Year-by-Year Returns

The following bar chart presents the performance of Series R of the Fund for each of the fiscal periods shown. The chart shows, 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*.



Annual Compound Returns

The following table compares the historical annual compound total returns of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2023. 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 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series R	-7.3	-4.3	-0.3	n/a	0.1
FTSE Canada Universe Bond Index*	-2.0	-1.7	0.9	n/a	1.0
FTSE Canada Long Term Bond Index	-7.2	-4.4	-0.2	n/a	0.3

* Broad-based 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 FTSE Canada Long Term Bond Index is an index of Canadian bonds with terms to maturity of greater than 10 years and rated "BBB" or higher.

CANADA LIFE LONG TERM BOND FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2023

Summary of Investment Portfolio at March 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	98.4
Other assets (liabilities)	1.1
Cash and short-term investments	0.5
REGIONAL ALLOCATION	% OF NAV
Canada	98.4
Other assets (liabilities)	1.1
Cash and short-term investments	0.5
SECTOR ALLOCATION	% OF NAV
Provincial bonds	55.7
Corporate bonds	25.1
Federal bonds	14.7
Municipal bonds	2.9
Other assets (liabilities)	1.1
Cash and short-term investments	0.5
BONDS BY CREDIT RATING*	% OF NAV
AAA	14.9
AA	25.9
A	40.3
BBB	9.3
Unrated	8.0

TOP 25 POSITIONS	% OF NAV
Issuer	
Government of Canada 2.00% 12-01-2051	3.1
Province of Ontario 3.45% 06-02-2045	2.7
Government of Canada 2.75% 12-01-2048	2.5
Province of Quebec 3.10% 12-01-2051	2.4
Province of Ontario 4.70% 06-02-2037	2.2
Government of Canada 1.75% 12-01-2053	2.1
Government of Canada 5.00% 06-01-2037	2.1
Province of Ontario 3.50% 06-02-2043	2.1
Province of Ontario 2.90% 12-02-2046	2.1
Province of Quebec 2.85% 12-01-2053	1.9
Province of Quebec 3.50% 12-01-2048	1.8
Province of Ontario 4.65% 06-02-2041	1.7
Province of Quebec 3.50% 12-01-2045	1.7
Province of Ontario 2.65% 12-02-2050	1.6
Province of Ontario 3.75% 12-02-2053	1.6
Province of Ontario 2.80% 06-02-2048	1.6
Province of Ontario 5.60% 06-02-2035	1.5
Province of Quebec 5.75% 12-01-2036	1.5
Province of Quebec 4.25% 12-01-2043	1.4
Province of Alberta 3.05% 12-01-2048	1.3
Province of Quebec 5.00% 12-01-2041	1.3
Province of Quebec 5.00% 12-01-2038	1.3
Province of Ontario 2.90% 06-02-2049	1.2
Province of Ontario 1.90% 12-02-2051	1.1
Province of Alberta 3.30% 12-01-2046	1.1
Top long positions as a percentage of total net asset value	44.9

* Credit ratings and rating categories are based on ratings issued by a designated rating organization.

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

The investments and percentages may have changed since March 31, 2023, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days. The quarterly updates are available by visiting www.canadalifeinvest.ca.

CANADA LIFE LONG TERM BOND FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2023

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

Series R	Mar. 31				
	2023	2022	2021	2020	2019
Net assets, beginning of period	9.19	10.06	10.50	10.33	10.01
Increase (decrease) from operations:					
Total revenue	0.32	0.32	0.34	0.35	0.36
Total expenses	—	—	—	—	—
Realized gains (losses) for the period	(0.87)	(0.17)	0.37	0.13	(0.03)
Unrealized gains (losses) for the period	(0.18)	(0.70)	(0.70)	0.03	0.41
Total increase (decrease) from operations ²	(0.73)	(0.55)	0.01	0.51	0.74
Distributions:					
From net investment income (excluding Canadian dividends)	(0.33)	(0.32)	(0.34)	(0.35)	(0.36)
From Canadian dividends	—	—	—	—	—
From capital gains	—	—	(0.15)	—	—
Return of capital	—	—	—	—	—
Total annual distributions ³	(0.33)	(0.32)	(0.49)	(0.35)	(0.36)
Net assets, end of period	8.18	9.19	10.06	10.50	10.33

- (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.

RATIOS AND SUPPLEMENTAL DATA

Series R	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	18,556	24,428	26,072	27,750	24,325
Securities outstanding (000) ¹	2,269	2,658	2,591	2,644	2,355
Management expense ratio (%) ²	—	—	—	—	—
Management expense ratio before waivers or absorptions (%) ²	—	—	—	—	—
Trading expense ratio (%) ³	—	—	—	—	0.01
Portfolio turnover rate (%) ⁴	55.69	50.45	57.27	18.78	17.23
Net asset value per security (\$)	8.18	9.19	10.06	10.50	10.33

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio ("MER") 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 assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or "ETFs"), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by affiliates of the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager 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 ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where the Fund invests in securities of another fund (including ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.

(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 the 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.

Management Fees

The Fund pays no management fees on its Series R securities.

CANADA LIFE LONG TERM BOND FUND

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2023

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, 2017

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

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

Series R securities are offered only to other funds managed by CLIML on a non-prospectus basis in connection with fund-of-fund arrangements.

Series	Inception/ Reinstatement Date	Management Fee	Administration Fee
Series R	July 14, 2017	n/a	n/a