

CANADA LIFE INTERNATIONAL BOND FUND (CLI)

(Formerly International Bond Fund (CLI))

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 interest income with the potential for capital growth by investing primarily in fixed income securities issued by governments, corporations and international agencies anywhere in the world.

Risk

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

The Fund is suitable for medium-term investors looking for a global 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.

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

Results of Operations

Investment Performance

During the period, the Fund's Series R securities returned -3.6% (after deducting fees and expenses paid by the series). This compares with the ICE BofA Global Broad Market Index return of -7.8%. 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.

After the COVID-19 pandemic plunged the world into a severe recession early in the period, accommodative monetary policies across Group of Ten ("G10") countries and fiscal relief supported economic recovery. Corporate bonds appreciated while government bonds depreciated, as interest rates rose and inflation expectations increased.

The Fund outperformed the index, with security selection in Europe, particularly among higher-volatility and financial sector bonds, contributing to performance. The Fund's overweight exposure to Canada and underweight exposure to the United States also contributed.

Conversely, the Fund's overweight position and duration positioning in Europe detracted from performance as yields rose, partially offsetting the positive impact of security selection.

Over the period, the portfolio management team increased the Fund's exposure to the United States and decreased its exposure to France as the interest rate differential between the eurozone and the United States disappeared, and in view of a more pronounced fiscal response from the latter. The Fund's exposure to corporate bonds was decreased as the team focused on holdings with strong liquidity or with potential government support due to the strategic nature of their operations.

Net Assets

The Fund's NAV declined by 11.8% to \$85.3 million at March 31, 2021, from \$96.8 million at March 31, 2020. This change was composed primarily of \$3.0 million in net losses (after including interest income) from investment performance, after deducting fees and expenses, \$6.6 million in net redemptions, and \$1.8 million in cash distributions.

Fees and Expenses

The management expense ratio ("MER") for Series R of 0.00% during the year ended March 31, 2021, was unchanged from the MER for the year ended March 31, 2020. No management fee or administration fee, other than certain specific fund costs, is charged to Series R.

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.

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.

At the end of the period, the Fund was positioned to benefit from a reopening of global economies, according to the portfolio management team. Specifically, the Fund had an overweight position in corporate bonds, underweight exposure to defensive currencies such as the U.S. dollar and Japanese yen, and a shorter overall duration relative to the index.

The team believes government bond yields in the United States, Europe and the United Kingdom could rise further in 2021 as the outlook for economic growth improves and inflation expectations increase. However, the team expects European government bonds to outperform U.S. and U.K. government bonds. The team also believes there may be further compression of credit spreads (the difference in yield between corporate and government bonds) in industries most affected by the pandemic – namely retail, property, travel and leisure – as investors anticipate a recovery in these areas.

On August 14, 2020, the Fund was renamed Canada Life International Bond Fund (CLI).

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

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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

Investment funds managed by CLIML and segregated funds managed by Canada Life and its subsidiaries may invest in the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2021, funds managed by CLIML and segregated funds managed by Canada Life owned 100.0% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

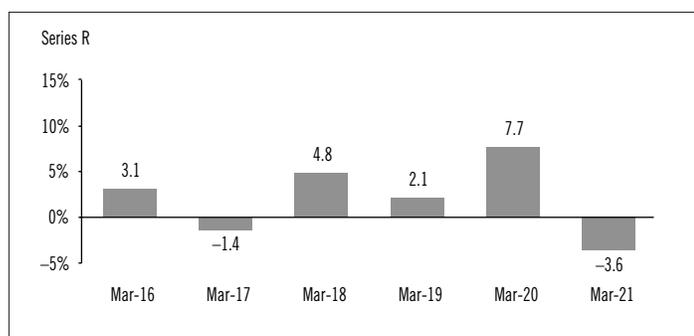
Mackenzie relied on a recommendation issued by the Mackenzie Funds' Independent Review Committee to replace Mackenzie with CLIML as the Fund's manager and trustee in January 2021.

Past Performance

The Fund's past performance information is presented in the following 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 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 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series R	-3.6	1.9	1.8	n/a	2.3
ICE BofA Global Broad Market Index	-7.8	1.9	1.9	n/a	2.0

The ICE BofA Global Broad Market Index tracks the performance of investment grade debt publicly issued in major domestic and eurobond markets, including sovereign, quasi-government, corporate, securitized and collateralized securities. Qualifying bonds must be rated "BBB" or higher and have a remaining term to maturity of at least one year.

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Summary of Investment Portfolio at March 31, 2021

Portfolio Allocation	% of NAV
Bonds	94.7
Cash and short-term investments	6.3
Other assets (liabilities)	(1.0)

Regional Allocation

	% of NAV
United States	34.5
United Kingdom	8.5
France	8.4
Japan	8.0
Italy	6.9
Canada	6.6
Cash and short-term investments	6.3
Germany	5.9
Venezuela	3.7
Switzerland	3.1
Australia	2.3
South Korea	2.3
Netherlands	1.7
Mexico	1.3
Ireland	1.2
Other	0.3
Other assets (liabilities)	(1.0)

Sector Allocation

	% of NAV
Corporate bonds	46.3
Foreign government bonds	38.1
Federal bonds	6.6
Cash and short-term investments	6.3
Supra-national bonds	3.7
Other assets (liabilities)	(1.0)

Bonds by Credit Rating*

	% of NAV
AAA	10.1
AA	27.0
A	24.0
BBB	30.2
Unrated	3.4

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

The Fund did not hedge its foreign currency exposure at the end of the period.

Top 25 Positions

Issuer	% of NAV
Cash and short-term investments	6.3
Corporacion Andina de Fomento 2.125% 09-27-2021	3.7
Government of Italy 0.35% 02-01-2025	3.6
Italy Buoni Poliennali Del Tesoro 1.25% 12-01-2026	3.3
Lloyds Banking Group PLC 0.65% 05-30-2023	2.7
BNP Paribas SA 0.37% 02-28-2023	2.7
Berkshire Hathaway Inc. 0.97% 09-13-2039	2.5
Government of Canada 5.00% 06-01-2037	2.4
Export-Import Bank of Korea 0.63% 07-11-2023	2.3
United States Treasury 1.38% 08-31-2026	2.1
United States Treasury 2.63% 02-28-2023	2.1
Upjohn Finance BV 1.91% 06-23-2032	2.0
CPPIB Capital Inc. 1.13% 12-14-2029	2.0
United States Treasury 2.13% 02-29-2024	2.0
United States Treasury 1.75% 05-15-2023	2.0
United States Treasury 2.88% 04-30-2025	1.9
Sumitomo Life Insurance Co. F/R 09-14-2077 Callable 2027	1.9
SCOR SE 5.25% 03-13-2067 Perpetual Callable 2029	1.8
United Kingdom Treasury 4.25% 03-07-2036	1.7
Public Storage 0.88% 01-24-2032	1.7
AT&T Inc. 2.05% 05-19-2032	1.7
Verizon Communications Inc. 1.88% 11-03-2038	1.7
Zurich Finance (Ireland) Designated Activity Co. F/R 09-15-2051	1.6
LSEG Netherlands BV 0.25% 04-06-2028	1.6
Verizon Communications Inc. 1.88% 10-26-2029	1.5

Top long positions as a percentage of total net asset value

58.8

The 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. 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.

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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

Series R	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Net assets, beginning of period	10.86	10.29	10.28	9.99	10.27
Increase (decrease) from operations:					
Total revenue	0.21	0.21	0.19	0.19	0.16
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	0.25	0.15	(0.01)	(0.13)	(0.16)
Unrealized gains (losses) for the period	(0.78)	0.44	0.05	0.44	(0.63)
Total increase (decrease) from operations²	(0.32)	0.80	0.23	0.50	(0.63)
Distributions:					
From net investment income (excluding Canadian dividends)	(0.21)	(0.21)	(0.19)	(0.19)	(0.15)
From Canadian dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.21)	(0.21)	(0.19)	(0.19)	(0.15)
Net assets, end of period	10.26	10.86	10.29	10.28	9.99

(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 2021	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017
Total net asset value (\$000)¹	85,349	96,763	97,269	86,772	77,048
Securities outstanding (000)¹	8,317	8,911	9,456	8,439	7,716
Management expense ratio (%)²	–	–	–	–	–
Management expense ratio before waivers or absorptions (%)²	–	–	–	–	–
Trading expense ratio (%)³	0.00	0.00	0.00	0.00	0.00
Portfolio turnover rate (%)⁴	40.57	35.16	24.12	27.21	59.73
Net asset value per security (\$)	10.26	10.86	10.29	10.27	9.99

(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.

Management Fees

The Fund pays no management fees on its Series R securities. Management fees from other Canada Life funds (managed by Mackenzie until January 1, 2021, and by CLIML thereafter) that invest in the Fund were used to pay Canada Life Asset Management Ltd., an affiliate of CLIML and Mackenzie, for providing investment advisory services, including managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio.

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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 November 27, 2015

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)

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 Fees	Administration Fees
Series R	December 7, 2015	— *	— *

* Not applicable.