

Annual Management Report of Fund Performance

For the Period Ended March 31, 2022

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 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.

CANADA LIFE SUSTAINABLE U.S. EQUITY FUND

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Management Discussion of Fund Performance

June 3, 2022

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 Sustainable U.S. Equity Fund (the "Fund") in the financial year ended March 31, 2022 (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 generate long-term capital growth by investing primarily in U.S. equity securities selected using a responsible investing approach.

Risk

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

The Fund is suitable for medium- to long-term investors looking for an Environmental, Social and Governance ("ESG") focused U.S. equity fund to hold as part of their portfolio, who can handle the volatility of stock markets and who have a medium tolerance for risk.

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

Results of Operations

Investment Performance

U.S. equities generally rose but were volatile over the period. Russia's invasion of Ukraine disrupted energy markets. The U.S. annual inflation rate accelerated to 7.5% in January 2022, the highest in four decades. The period ended with a massive investor rotation out of growth stocks, which are relatively sensitive to interest rates, and into lower-priced value stocks.

Within the S&P 500 Index, energy, utilities and materials were the strongest sectors in Canadian dollar terms in the period, while communication services, consumer discretionary and information technology were the weakest.

Investment performance is not presented because, as at March 31, 2022, the Fund had not yet completed its first full financial year.

Net Assets

From its inception on September 20, 2021, to March 31, 2022, the Fund experienced \$1.3 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and an increase of \$56.7 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The annualized management expense ratio ("MER") for each series during the period ended March 31, 2022, is presented in the *Financial Highlights* section of this report.

Recent Developments

The ongoing international mutation and transmission of COVID-19 perpetuated uncertainty in the global economy and caused volatility in financial markets. Russia's invasion of Ukraine in February 2022 added further uncertainty to the global economic outlook. The COVID-19 pandemic and war in Ukraine may adversely affect global markets and the Fund's performance.

Related Party Transactions

Management and Administration Services

For each applicable series, the Fund paid management fees and administration fees to the Manager at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. The Manager paid the administration fees 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

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, 2022, funds managed by CLIML and Canada Life owned 99.7% 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, 2022, Canada Life had an investment of \$0.15 million in the Fund (0.3% of the Fund's NAV).

The Fund did not rely on an approval, positive recommendation or standing instruction from the Canada Life Funds' Independent Review Committee with respect to any related party transactions in the period.

Past Performance

Past performance is not presented because, as at March 31, 2022, the Fund had not yet completed its first full financial year.

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Summary of Investment Portfolio at March 31, 2022

PORTFOLIO ALLOCATION	% OF NAV
Equities	99.7
Other assets (liabilities)	0.6
Cash and short-term investments	(0.3)

REGIONAL ALLOCATION	% OF NAV
United States	98.7
Other assets (liabilities)	0.6
Ireland	0.5
Netherlands	0.4
Canada	0.1
Cash and short-term investments	(0.3)

SECTOR ALLOCATION	% OF NAV
Information technology	28.0
Health care	13.8
Consumer discretionary	12.8
Financials	11.0
Communication services	9.2
Industrials	7.9
Consumer staples	5.3
Energy	3.9
Real estate	2.8
Utilities	2.7
Materials	2.3
Other assets (liabilities)	0.6
Cash and short-term investments	(0.3)

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

TOP 25 POSITIONS	% OF NAV
Issuer	
Apple Inc.	7.0
Microsoft Corp.	6.5
Alphabet Inc.	4.7
Amazon.com Inc.	3.9
Tesla Inc.	2.2
NVIDIA Corp.	1.8
Berkshire Hathaway Inc.	1.7
UnitedHealth Group Inc.	1.5
Meta Platforms Inc.	1.3
Visa Inc.	1.2
MasterCard Inc.	1.2
The Procter & Gamble Co.	1.2
AbbVie Inc.	1.1
The Coca-Cola Co.	1.0
Johnson & Johnson	1.0
PepsiCo Inc.	0.9
Bank of America Corp.	0.9
Thermo Fisher Scientific Inc.	0.9
Eli Lilly and Co.	0.9
Chevron Corp.	0.9
Accenture PLC	0.9
Bristol-Myers Squibb Co.	0.9
Texas Instruments Inc.	0.9
Deere & Co.	0.8
Anthem Inc.	0.8
Top long positions as a percentage of total net asset value	46.1

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

The investments and percentages may have changed since March 31, 2022, 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.

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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 2022
Series R	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.07
Total expenses	–
Realized gains (losses) for the period	0.01
Unrealized gains (losses) for the period	(0.39)
Total increase (decrease) from operations²	(0.31)
Distributions:	
From net investment income (excluding Canadian dividends)	(0.01)
From Canadian dividends	–
From capital gains	(0.02)
Return of capital	–
Total annual distributions³	(0.03)
Net assets, end of period	10.23
	Mar. 31 2022
Series S	
Net assets, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.10
Total expenses	–
Realized gains (losses) for the period	0.69
Unrealized gains (losses) for the period	(0.54)
Total increase (decrease) from operations²	0.25
Distributions:	
From net investment income (excluding Canadian dividends)	(0.01)
From Canadian dividends	–
From capital gains	(0.02)
Return of capital	–
Total annual distributions³	(0.03)
Net assets, end of period	10.23

(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

	Mar. 31 2022
Series R	
Total net asset value (\$000)¹	55,404
Securities outstanding (000)¹	5,418
Management expense ratio (%)²	–
Management expense ratio before waivers or absorptions (%)²	–
Trading expense ratio (%)³	0.06
Portfolio turnover rate (%)⁴	n/a
Net asset value per security (\$)	10.23
	Mar. 31 2022
Series S	
Total net asset value (\$000)¹	1
Securities outstanding (000)¹	–
Management expense ratio (%)²	–
Management expense ratio before waivers or absorptions (%)²	–
Trading expense ratio (%)³	0.06
Portfolio turnover rate (%)⁴	n/a
Net asset value per security (\$)	10.23

(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 exchange-traded funds or 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 and Series S securities.

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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. On or about July 21, 2022, this information will be moved into the Fund's Simplified Prospectus.

Date of Formation: August 19, 2021

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 S securities are offered to The Canada Life Assurance Company and certain other mutual funds, but may be sold to other investors as determined by CLIML.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees
Series R	September 20, 2021	— *	— *
Series S	September 20, 2021	— ⁽¹⁾	0.03%

* Not applicable.

(1) This fee is negotiable and payable directly to CLIML by investors in this series.