

CANADA LIFE PATHWAYS US EQUITY 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 total return by investing primarily in U.S. equities. The Fund may invest up to 10% of its assets in non-U.S. equities.

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 a 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.

Results of Operations

Investment Performance

The performance of the Fund's I 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 I Series securities returned 38.5% (after deducting fees and expenses paid by the series). This compares with the S&P 500 Index return of 39.4%. 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.

After declining sharply at the beginning of the COVID-19 crisis, U.S. equity market indices rebounded to all-time highs. Equity returns were initially driven by stocks that benefited from work-from-home trends. As vaccination programs accelerated, stocks expected to benefit from economic reopening gained momentum. Investors rotated out of growth stocks and into cyclical value stocks. This was positive for the financials, energy and materials sectors, as well as industries related to travel, tourism and entertainment. The U.S. dollar depreciated relative to the Canadian dollar, reducing returns in Canadian dollar terms.

Within the S&P 500 Index, materials, energy and consumer discretionary were the strongest sectors in Canadian dollar terms, while utilities, consumer staples and real estate were the weakest.

The Fund underperformed the index, with stock selection and an underweight position in the information technology sector, and stock selection in health care and communication services, detracting from performance. At the country level, holdings in the United Kingdom detracted. The Fund's cash position also detracted as markets rose. Conversely, stock selection in the materials, financials and consumer discretionary sectors contributed to performance.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the Fund. Changes to the portfolio included the elimination of the position in AT&T Inc.

Net Assets

The Fund's NAV increased by 1,118.3% to \$72.9 million at March 31, 2021, from \$6.0 million at March 31, 2020. This change was composed primarily of \$6.3 million in net income (including dividend income) from investment performance, after deducting fees and expenses, and \$60.7 million in net sales.

See *Other Related Party Transactions* for the percentage of the Fund's NAV owned by related parties. As a result of these investments, the Fund is 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.

Fees and Expenses

The management expense ratio ("MER") for I Series of 0.02% during the year ended March 31, 2021, was unchanged from the MER for the year ended March 31, 2020. Other than certain specific fund costs, the management fee and administration fee were paid directly to Mackenzie and CLIML by investors in this series. 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.

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, household savings represented approximately 65% of U.S. gross domestic product, much higher than pre-pandemic levels. As vaccine distribution accelerates, the portfolio management team expects consumer spending to also accelerate, given pent-up demand. In addition, business inventory levels are at historic lows across many industries, and as the pandemic eases, companies are beginning to move forward with capital expenditure plans. According to the team, increased spending by both consumers and businesses should support a sustained rebound in value stocks.

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At the end of the period, the Fund remained invested in a mix of cyclical and defensive holdings. The Fund's largest overweight exposure relative to the narrow index was to the materials sector, while its largest absolute exposure was to financials (in line with the index). The Fund had underweight exposure to communication services, industrials and real estate.

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

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 93.9% 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.

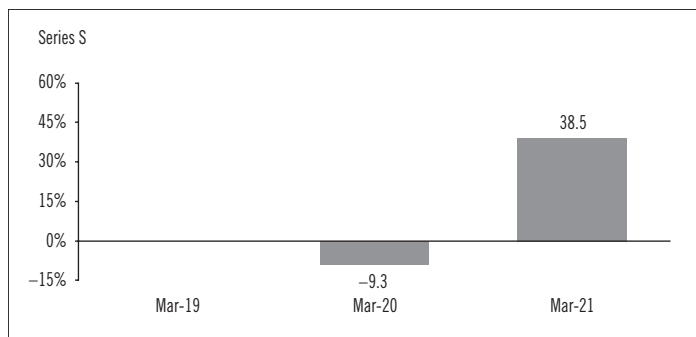
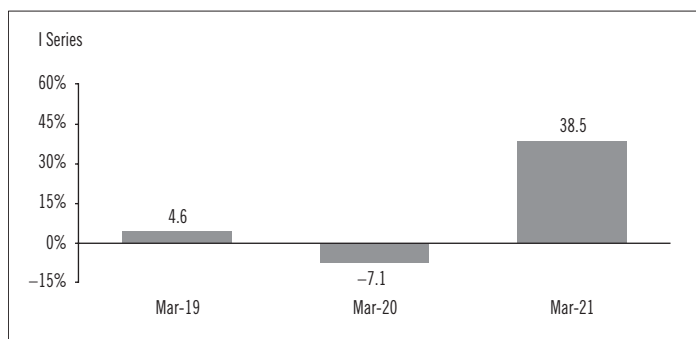
Past Performance

The Fund's past performance information is presented in the following 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 Inception²
I Series	38.5	n/a	n/a	n/a	12.9
Series S	38.5	n/a	n/a	n/a	13.0
S&P 500 Index	39.4	n/a	n/a	n/a	Note 3

The S&P 500 Index is a market capitalization weighted index of 500 widely held securities, designed to measure broad U.S. equity performance.

- (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 S&P 500 Index since inception for each applicable series is as follows:
I Series 16.4%, Series S 17.2%.

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Summary of Investment Portfolio at March 31, 2021

Portfolio Allocation	% of NAV
Equities	96.1
Cash and short-term investments	2.9
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.2

Regional Allocation	% of NAV
United States	91.9
Cash and short-term investments	2.9
United Kingdom	1.5
France	1.5
Ireland	1.2
Netherlands	0.8
Other assets (liabilities)	0.2

Sector Allocation	% of NAV
Financials	20.5
Health care	14.4
Industrials	11.8
Information technology	9.5
Consumer discretionary	7.5
Materials	7.2
Consumer staples	6.9
Energy	5.5
Communication services	4.9
Utilities	4.8
Real estate	3.1
Cash and short-term investments	2.9
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.2

Net Currency Exposure	% of NAV
U.S. dollar	100.3
Canadian dollar	0.2
Euro	0.2
Other	(0.7)

Top 25 Positions

Issuer	% of NAV
Bank of America Corp.	3.5
JPMorgan Chase & Co.	3.4
Citigroup Inc.	3.1
Microsoft Corp.	3.0
Cash and short-term investments	2.9
Wal-Mart Stores Inc.	2.5
Freeport-McMoRan Inc.	2.5
General Motors	2.2
Southwest Airlines Co.	2.1
Johnson & Johnson	2.0
Cigna Corp.	1.7
Fidelity National Information Services Inc.	1.6
Northrop Grumman Corp.	1.6
NRG Energy Inc.	1.5
Charter Communications Inc.	1.5
United Rentals Inc.	1.5
The Goldman Sachs Group Inc.	1.5
Qualcomm Inc.	1.5
Dow Inc.	1.5
Union Pacific Corp.	1.5
PNC Financial Services Group Inc.	1.5
ConocoPhillips	1.5
Exelon Corp.	1.4
Comcast Corp.	1.4
AbbVie Inc.	1.4

Top long positions as a percentage of total net asset value	49.8
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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

I Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.41	10.39	10.00
Increase (decrease) from operations:			
Total revenue	0.43	0.31	0.10
Total expenses	(0.03)	(0.03)	(0.02)
Realized gains (losses) for the period	(2.85)	0.89	(0.01)
Unrealized gains (losses) for the period	6.13	(2.29)	0.42
Total increase (decrease) from operations²	3.68	(1.12)	0.49
Distributions:			
From net investment income (excluding Canadian dividends)	(0.16)	(0.26)	(0.07)
From Canadian dividends	–	–	–
From capital gains	–	–	–
Return of capital	–	–	–
Total annual distributions³	(0.16)	(0.26)	(0.07)
Net assets, end of period	12.85	9.41	10.39

Series S	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	8.85	10.00	n/a
Increase (decrease) from operations:			
Total revenue	0.16	0.19	n/a
Total expenses	(0.02)	(0.02)	n/a
Realized gains (losses) for the period	0.86	(4.11)	n/a
Unrealized gains (losses) for the period	2.26	(1.37)	n/a
Total increase (decrease) from operations²	3.26	(5.31)	n/a
Distributions:			
From net investment income (excluding Canadian dividends)	(0.15)	(0.24)	n/a
From Canadian dividends	–	–	n/a
From capital gains	–	–	n/a
Return of capital	–	–	n/a
Total annual distributions³	(0.15)	(0.24)	n/a
Net assets, end of period	12.08	8.85	n/a

- (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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RATIOS AND SUPPLEMENTAL DATA

I Series	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	4,439	3,889	2,411
Securities outstanding (000) ¹	346	413	232
Management expense ratio (%) ²	0.02	0.02	0.01
Management expense ratio before waivers or absorptions (%) ²	0.02	0.02	0.01
Trading expense ratio (%) ³	0.14	0.28	0.40
Portfolio turnover rate (%) ⁴	24.02	90.11	n/a
Net asset value per security (\$)	12.85	9.41	10.39

Series S	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	68,475	2,096	n/a
Securities outstanding (000) ¹	5,669	237	n/a
Management expense ratio (%) ²	0.03	0.04	n/a
Management expense ratio before waivers or absorptions (%) ²	0.03	0.04	n/a
Trading expense ratio (%) ³	0.14	0.28	n/a
Portfolio turnover rate (%) ⁴	24.02	90.11	n/a
Net asset value per security (\$)	12.08	8.85	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.

Management Fees

The management fee for each series is calculated and accrued daily as a percentage of its NAV and payable quarterly to Mackenzie, in the pre-manager change period and to CLIML thereafter, directly by investors and not by the Fund. These management fees were used by Mackenzie and CLIML in part to pay Putnam Advisory Company LLC, an affiliate of both Mackenzie and CLIML, for investment advisory services, including 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.

Quadrus Investment Services Ltd. ("Quadrus"), an affiliate of CLIML and Mackenzie, is the principal distributor for the Fund. In the pre-manager change period, Canada Life provided certain services to Mackenzie in connection with Mackenzie's portfolio management activities and paid certain administrative costs. As such, Quadrus and Canada Life received a portion of the management fees that investors in the Fund paid directly to Mackenzie. Approximately 77% of the total management fees that Mackenzie received in connection with the Canada Life Mutual Funds during the pre-manager change period was paid under these arrangements.

Subsequent to the change in manager, Quadrus receives a portion of the management fees that investors in the Fund pay directly to CLIML.

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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 October 12, 2018

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)

I Series securities are offered to investors investing a minimum of \$25,000, who are participating in the Canada Life Constellation Managed Portfolios program, and who have entered into an I Series Account Agreement with CLIML and Quadrus which specifies the fees applicable to this account.

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.

I Series of the Fund is only available for purchase under a no-load purchase option. For further details on this purchase option, please refer to the Fund's Simplified Prospectus and Fund Facts.

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees
I Series	October 22, 2018	— ⁽¹⁾	— ⁽¹⁾
Series S	May 21, 2019	— ⁽²⁾	0.03%

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

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