

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

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## **Interim Unaudited Financial Statements**

For the Six-Month Period Ended September 30, 2021

*These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. You may obtain a copy of the Interim MRFP, at no cost, by calling 1-888-532-3322, by writing us at 255 Dufferin Ave., London, Ontario, N6A 4K1 or by visiting our website at [www.canadalifeinvest.ca](http://www.canadalifeinvest.ca) or by visiting the SEDAR website at [www.sedar.com](http://www.sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above.*

*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.*

### **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

*Canada Life Investment Management Ltd., the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice.*

*The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.*

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## STATEMENTS OF FINANCIAL POSITION

at (in \$ 000 except per security amounts)

	Sep. 30 2021	Mar. 31 2021 (Audited)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	23,686	26,086
Cash and cash equivalents	151	1,107
Accrued interest receivable	117	135
Accounts receivable for investments sold	5	–
Accounts receivable for securities issued	–	–
Margin on derivatives	64	76
Unrealized gains on derivative contracts	54	41
<b>Total assets</b>	<b>24,077</b>	<b>27,445</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	–	14
Accounts payable for securities redeemed	2	8
<b>Total liabilities</b>	<b>2</b>	<b>22</b>
<b>Net assets attributable to securityholders</b>	<b>24,075</b>	<b>27,423</b>

### Net assets attributable to securityholders (note 3)

	per security		per series	
	Sep. 30 2021	Mar. 31 2021 (Audited)	Sep. 30 2021	Mar. 31 2021 (Audited)
A Series	9.88	9.96	1,708	2,265
F Series	9.78	9.86	198	198
FW Series	10.31	10.39	216	218
N Series	9.93	10.01	3,049	3,465
QF Series	9.87	9.95	139	140
QFW Series	10.30	10.38	1	1
Series R	9.91	9.99	17,487	19,776
W Series	9.86	9.94	1,277	1,360
			<b>24,075</b>	<b>27,423</b>

## STATEMENTS OF COMPREHENSIVE INCOME

for the periods ended September 30 (in \$ 000 except per security amounts)

	2021 \$	2020 \$
<b>Income</b>		
Dividends	6	–
Interest income	283	334
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(28)	145
Net unrealized gain (loss)	(169)	550
Fee rebate income	1	–
<b>Total income (loss)</b>	<b>93</b>	<b>1,029</b>
<b>Expenses (note 6)</b>		
Management fees	20	27
Management fee rebates	(1)	(1)
Administration fees	3	4
Commissions and other portfolio transaction costs	1	–
Independent Review Committee fees	–	–
<b>Expenses before amounts absorbed by Manager</b>	<b>23</b>	<b>30</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>23</b>	<b>30</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>70</b>	<b>999</b>
Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>70</b>	<b>999</b>

### Increase (decrease) in net assets attributable to securityholders from operations (note 3)

	per security		per series	
	2021	2020	2021	2020
A Series	(0.03)	0.31	(3)	84
F Series	–	0.33	–	8
FW Series	–	0.36	–	8
N Series	0.03	0.38	12	148
QF Series	(0.01)	0.32	(1)	4
QFW Series	–	0.37	–	–
Series R	0.04	0.36	66	702
W Series	(0.03)	0.31	(4)	45
			<b>70</b>	<b>999</b>

The accompanying notes are an integral part of these financial statements.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

for the periods ended September 30 (in \$ 000 except per security amounts)

	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	A Series		F Series		FW Series		N Series		QF Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	2,265	2,855	198	248	218	231	3,465	4,624	140	122
Increase (decrease) in net assets from operations	(3)	84	–	8	–	8	12	148	(1)	4
Distributions paid to securityholders:										
Investment income	(8)	(14)	(1)	(2)	(2)	(2)	(36)	(45)	(1)	(1)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(1)	–	–	–	–	–	–	(1)	–	–
Total distributions paid to securityholders	(9)	(14)	(1)	(2)	(2)	(2)	(36)	(46)	(1)	(1)
Security transactions:										
Proceeds from securities issued	59	116	1	1	–	–	36	294	–	10
Reinvested distributions	8	14	1	2	2	2	36	45	1	1
Payments on redemption of securities	(612)	(472)	(1)	(1)	(2)	(20)	(464)	(1,477)	–	(1)
Total security transactions	(545)	(342)	1	2	–	(18)	(392)	(1,138)	1	10
<b>Total increase (decrease) in net assets</b>	<b>(557)</b>	<b>(272)</b>	<b>–</b>	<b>8</b>	<b>(2)</b>	<b>(12)</b>	<b>(416)</b>	<b>(1,036)</b>	<b>(1)</b>	<b>13</b>
<b>End of period</b>	<b>1,708</b>	<b>2,583</b>	<b>198</b>	<b>256</b>	<b>216</b>	<b>219</b>	<b>3,049</b>	<b>3,588</b>	<b>139</b>	<b>135</b>

	Securities		Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	227	292	20	26	21	23	346	471	14	12
Issued	7	11	–	–	–	–	4	30	–	1
Reinvested distributions	1	1	–	–	–	–	4	4	–	–
Redeemed	(62)	(47)	–	–	–	(2)	(47)	(149)	–	–
<b>Securities outstanding – end of period</b>	<b>173</b>	<b>257</b>	<b>20</b>	<b>26</b>	<b>21</b>	<b>21</b>	<b>307</b>	<b>356</b>	<b>14</b>	<b>13</b>

	QFW Series		Series R		W Series		Total	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	1	1	19,776	17,903	1,360	1,425	27,423	27,409
Increase (decrease) in net assets from operations	–	–	66	702	(4)	45	70	999
Distributions paid to securityholders:								
Investment income	–	–	(213)	(230)	(6)	(8)	(267)	(302)
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	(1)	(1)
Total distributions paid to securityholders	–	–	(213)	(230)	(6)	(8)	(268)	(303)
Security transactions:								
Proceeds from securities issued	–	–	642	2,987	51	18	789	3,426
Reinvested distributions	–	–	–	–	6	8	54	72
Payments on redemption of securities	–	–	(2,784)	(434)	(130)	(59)	(3,993)	(2,464)
Total security transactions	–	–	(2,142)	2,553	(73)	(33)	(3,150)	1,034
<b>Total increase (decrease) in net assets</b>	<b>–</b>	<b>–</b>	<b>(2,289)</b>	<b>3,025</b>	<b>(83)</b>	<b>4</b>	<b>(3,348)</b>	<b>1,730</b>
<b>End of period</b>	<b>1</b>	<b>1</b>	<b>17,487</b>	<b>20,928</b>	<b>1,277</b>	<b>1,429</b>	<b>24,075</b>	<b>29,139</b>

	Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	–	–	1,981	1,826	137	146
Issued	–	–	64	299	5	2
Reinvested distributions	–	–	–	–	1	1
Redeemed	–	–	(280)	(44)	(13)	(6)
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>1,765</b>	<b>2,081</b>	<b>130</b>	<b>143</b>

The accompanying notes are an integral part of these financial statements.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## STATEMENTS OF CASH FLOWS

for the periods ended September 30 (in \$ 000 except per security amounts)

	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	70	999
Adjustments for:		
Net realized loss (gain) on investments	(44)	(145)
Change in net unrealized loss (gain) on investments	169	(550)
Purchase of investments	(3,075)	(13,063)
Proceeds from sale and maturity of investments	5,318	12,042
Change in accrued interest receivable	18	(10)
Change in margin on derivatives	12	–
<b>Net cash from operating activities</b>	<b>2,468</b>	<b>(727)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	769	3,426
Payments on redemption of securities	(3,979)	(2,470)
Distributions paid net of reinvestments	(214)	(231)
<b>Net cash from financing activities</b>	<b>(3,424)</b>	<b>725</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(956)</b>	<b>(2)</b>
Cash and cash equivalents at beginning of period	1,107	314
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>151</b>	<b>312</b>
Cash	151	312
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>151</b>	<b>312</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	6	–
Foreign taxes paid	–	–
Interest received	301	324
Interest paid	–	–

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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SCHEDULE OF INVESTMENTS

As at September 30, 2021

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS</b>					
407 International Inc. 1.80% 05-22-2025 Callable 2025	Canada	Corporate - Non Convertible	91,000	91	92
Algonquin Power & Utilities Corp. 4.09% 02-17-2027 Callable	Canada	Corporate - Non Convertible	1,000	1	1
Algonquin Power & Utilities Corp. 2.85% 07-15-2031	Canada	Corporate - Non Convertible	5,000	5	5
Allied Properties Real Estate Investment Trust 1.73% 02-12-2026	Canada	Corporate - Non Convertible	10,000	10	10
AltaGas Ltd. 2.61% 12-16-2022	Canada	Corporate - Non Convertible	302,000	308	308
AltaGas Ltd. 2.16% 06-10-2025	Canada	Corporate - Non Convertible	25,000	25	25
AltaGas Ltd. 2.17% 03-16-2027	Canada	Corporate - Non Convertible	5,000	5	5
Amazon.com Inc. 0.25% 05-12-2023	United States	Corporate - Non Convertible	USD 68,000	82	86
ARC Resources Ltd. 2.35% 03-10-2026	Canada	Corporate - Non Convertible	31,000	31	31
ARC Resources Ltd. 3.47% 03-10-2031	Canada	Corporate - Non Convertible	6,000	6	6
AT&T Inc. F/R 03-25-2024	United States	Corporate - Non Convertible	USD 18,000	23	23
Athene Global Funding F/R 04-09-2024	United States	Corporate - Non Convertible	76,000	76	76
Bank of America Corp. F/R 09-15-2027 (Floating)	United States	Corporate - Non Convertible	41,000	41	41
Bank of America Corp. F/R 09-15-2027 (Fix-To-Float)	United States	Corporate - Non Convertible	4,000	4	4
Bank of America Corp. F/R 04-04-2029	United States	Corporate - Non Convertible	7,000	7	7
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	106,000	109	109
Bank of Montreal 1.76% 03-10-2026	Canada	Corporate - Non Convertible	75,000	75	75
Bank of Montreal 1.55% 05-28-2026	Canada	Corporate - Non Convertible	91,000	91	90
Bank of Montreal F/R 06-01-2027 Callable 2022	Canada	Corporate - Non Convertible	174,000	173	176
Bank of Montreal F/R 06-17-2030 Callable 2025	Canada	Corporate - Non Convertible	15,000	15	15
Bank of Montreal F/R 07-22-2031	Canada	Corporate - Non Convertible	35,000	35	35
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	158,000	155	163
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate - Non Convertible	129,000	131	133
The Bank of Nova Scotia 2.16% 02-03-2025	Canada	Corporate - Non Convertible	96,000	100	98
The Bank of Nova Scotia F/R 08-04-2026	Canada	Corporate - Non Convertible	65,000	65	65
The Bank of Nova Scotia 1.40% 11-01-2027	Canada	Corporate - Non Convertible	28,000	27	27
The Bank of Nova Scotia F/R 07-27-2081	Canada	Corporate - Non Convertible	11,000	11	11
BCE Inc. 2.20% 05-29-2028	Canada	Corporate - Non Convertible	6,000	6	6
bclMC Realty Corp. 2.15% 08-11-2022 Callable 2022	Canada	Corporate - Non Convertible	156,000	155	158
bclMC Realty Corp. 1.06% 03-12-2024	Canada	Corporate - Non Convertible	20,000	20	20
bclMC Realty Corp. 1.07% 02-04-2026	Canada	Corporate - Non Convertible	26,000	26	25
Bell Canada Inc. 3.35% 03-12-2025 Callable 2025	Canada	Corporate - Non Convertible	38,000	37	40
BMW Canada Auto Trust 0.33% 07-20-2023	Canada	Mortgage Backed	11,572	12	12
BMW Canada Inc. 0.99% 01-14-2025	Germany	Corporate - Non Convertible	18,000	18	18
Brookfield BPY Holdings Inc. 3.93% 08-24-2025	United States	Corporate - Non Convertible	89,000	89	91
Brookfield Property Finance ULC 4.12% 10-19-2021	Canada	Corporate - Non Convertible	514,000	527	515
Brookfield Renewable Energy Partners ULC 3.75% 06-02-2025 Callable 2025	Canada	Corporate - Non Convertible	18,000	20	19
Brookfield Renewable Energy Partners ULC 3.63% 01-15-2027 Callable 2026	Canada	Corporate - Non Convertible	4,000	5	4
Canada Housing Trust 2.35% 09-15-2023	Canada	Federal Government	810,000	831	839
Canada Housing Trust 2.90% 06-15-2024	Canada	Federal Government	324,000	345	342
Canada Housing Trust 1.80% 12-15-2024	Canada	Federal Government	942,000	972	969
Canada Housing Trust 0.95% 06-15-2025	Canada	Federal Government	430,000	431	429
Canada Housing Trust 1.95% 12-15-2025	Canada	Federal Government	550,000	578	568
Canadian Imperial Bank of Commerce F/R 06-10-2024	Canada	Corporate - Non Convertible	88,000	88	88
Canadian Imperial Bank of Commerce F/R 03-04-2025	Canada	Corporate - Non Convertible	86,000	86	86
Canadian Imperial Bank of Commerce 1.10% 01-19-2026	Canada	Corporate - Non Convertible	670,000	669	654
Canadian Imperial Bank of Commerce F/R 07-15-2026	Canada	Corporate - Non Convertible	53,000	53	53
Canadian Imperial Bank of Commerce F/R 04-21-2031	Canada	Corporate - Non Convertible	80,000	80	80
Canadian Imperial Bank of Commerce 4.38% 10-28-2080	Canada	Corporate - Non Convertible	25,000	25	26

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2021

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Canadian Imperial Bank of Commerce F/R 01-28-2082	Canada	Corporate - Non Convertible	24,000	24	24
Canadian Natural Resources Ltd. 1.45% 11-16-2023	Canada	Corporate - Non Convertible	214,000	214	215
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	120,000	127	126
Canadian Western Bank 2.84% 03-14-2022	Canada	Corporate - Non Convertible	164,000	167	166
Canadian Western Bank 1.57% 09-14-2023	Canada	Corporate - Non Convertible	44,000	44	44
Canadian Western Bank F/R 01-22-2024	Canada	Corporate - Non Convertible	57,000	57	57
Canadian Western Bank 1.93% 04-16-2026	Canada	Corporate - Non Convertible	33,000	33	33
Capital Power Corp. 4.28% 09-18-2024 Callable 2024	Canada	Corporate - Non Convertible	28,000	31	30
Central 1 Credit Union 2.58% 12-06-2023	Canada	Corporate - Non Convertible	207,000	204	213
Central 1 Credit Union F/R 06-30-2031	Canada	Corporate - Non Convertible	87,000	87	87
CGI Inc. 2.10% 09-18-2028	Canada	Corporate - Non Convertible	3,000	3	3
CHIP Mortgage Trust 1.50% 11-15-2024	Canada	Corporate - Non Convertible	15,000	15	15
Coast Capital Savings Credit Union F/R 05-03-2028 Callable 2023	Canada	Corporate - Non Convertible	122,000	125	129
Coast Capital Savings Credit Union F/R 10-29-2030 Callable 2025	Canada	Corporate - Non Convertible	97,000	100	108
Cogeco Communications Inc. 2.99% 09-22-2031	Canada	Corporate - Non Convertible	3,000	3	3
Daimler Canada Finance Inc. 1.65% 09-22-2025	Germany	Corporate - Non Convertible	103,000	103	103
Dream Industrial Real Estate Investment Trust 1.66% 12-22-2025 (JUN)	Canada	Corporate - Non Convertible	15,000	15	15
Dream Industrial Real Estate Investment Trust 2.06% 06-17-2027	Canada	Corporate - Non Convertible	4,000	4	4
Eagle Credit Card Trust 2.63% 10-17-2022	Canada	Corporate - Non Convertible	230,000	230	235
Eagle Credit Card Trust 1.55% 06-17-2026	Canada	Corporate - Non Convertible	38,000	38	38
The Empire Life Insurance Co. F/R 03-15-2028 Callable 2023	Canada	Corporate - Non Convertible	439,000	447	455
The Empire Life Insurance Co. 3.63% 04-17-2081	Canada	Corporate - Non Convertible	2,000	2	2
Enbridge Inc. 3.19% 12-05-2022	Canada	Corporate - Non Convertible	155,000	155	159
Enbridge Inc. 2.44% 06-02-2025	Canada	Corporate - Non Convertible	84,000	84	86
Enbridge Inc. 3.10% 09-21-2033	Canada	Corporate - Non Convertible	7,000	7	7
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	60,000	65	64
EPCOR Utilities Inc. 1.30% 05-19-2023	Canada	Corporate - Non Convertible	118,000	118	119
Equitable Bank 2.95% 09-26-2022	Canada	Corporate - Non Convertible	221,000	225	225
Equitable Bank 1.77% 09-21-2023	Canada	Corporate - Non Convertible	266,000	266	268
The Estee Lauder Cos. Inc. 1.95% 03-15-2031	United States	Corporate - Non Convertible	USD 5,000	6	6
Fairfax Financial Holdings Ltd. 3.95% 03-03-2031	Canada	Corporate - Non Convertible	12,000	12	12
Fédération des Caisses Desjardins du Québec 1.09% 01-21-2026	Canada	Corporate - Non Convertible	250,000	250	244
Fédération des Caisses Desjardins du Québec 1.59% 09-10-2026	Canada	Corporate - Non Convertible	21,000	21	21
First National Financial Corp. 3.58% 11-25-2024	Canada	Corporate - Non Convertible	47,000	47	49
First National Financial Corp. 2.96% 11-17-2025	Canada	Corporate - Non Convertible	49,000	49	50
Gibson Energy Inc. 2.45% 07-14-2025 Callable 2025	Canada	Corporate - Non Convertible	35,000	35	36
Glacier Credit Card Trust 4.14% 09-20-2023	Canada	Corporate - Non Convertible	70,000	70	73
Glacier Credit Card Trust 3.43% 06-06-2024	Canada	Corporate - Non Convertible	323,000	323	333
The Goldman Sachs Group Inc. F/R 04-29-2025	United States	Corporate - Non Convertible	115,000	115	115
The Goldman Sachs Group Inc. F/R 02-28-2029	United States	Corporate - Non Convertible	14,000	14	14
Government of Canada 1.75% 03-01-2023	Canada	Federal Government	84,000	82	86
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	472,000	472	485
Government of Canada 0.25% 04-01-2024	Canada	Federal Government	337,000	335	334
Government of Canada 1.50% 09-01-2024	Canada	Federal Government	615,000	626	628
Government of Canada 1.25% 03-01-2025	Canada	Federal Government	139,000	144	141
Government of Canada 0.50% 09-01-2025	Canada	Federal Government	428,000	429	421
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	414,000	439	423
Granite Real Estate Investment Trust 2.19% 08-30-2028	Canada	Corporate - Non Convertible	5,000	5	5
H&R Real Estate Investment Trust 2.91% 06-02-2026	Canada	Corporate - Non Convertible	28,000	28	29
H&R Real Estate Investment Trust 2.63% 02-19-2027	Canada	Corporate - Non Convertible	7,000	7	7

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(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2021

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Heathrow Funding Ltd. 2.69% 10-13-2027	United Kingdom	Corporate - Non Convertible	8,000	8	8
Heathrow Funding Ltd. 3.73% 04-13-2033	United Kingdom	Corporate - Non Convertible	3,000	3	3
Honda Canada Finance Inc. F/R 02-26-2024	Canada	Corporate - Non Convertible	51,000	51	51
Honda Canada Finance Inc. 1.34% 03-17-2026	Canada	Corporate - Non Convertible	31,000	31	31
Honda Canada Finance Inc. 1.65% 02-25-2028	Canada	Corporate - Non Convertible	10,000	10	10
Hydro One Inc. 2.23% 09-17-2031	Canada	Corporate - Non Convertible	6,000	6	6
Hyundai Capital Canada Inc. 2.01% 05-12-2026	South Korea	Corporate - Non Convertible	19,000	19	19
iA Financial Corp. Inc. F/R 02-21-2030 Callable 2025	Canada	Corporate - Non Convertible	39,000	39	40
Industrial Alliance Insurance and Financial Services Inc. F/R 02-23-2027 Callable 2022	Canada	Corporate - Non Convertible	290,000	295	292
Intact Financial Corp. 2.18% 05-18-2028	Canada	Corporate - Non Convertible	4,000	4	4
Intact Financial Corp. F/R 03-31-2081	Canada	Corporate - Non Convertible	8,000	8	8
Inter Pipeline Ltd. 2.61% 09-13-2023 Callable MTN	Canada	Corporate - Non Convertible	171,000	175	175
John Deere Financial Inc. 1.09% 07-17-2024	United States	Corporate - Non Convertible	95,000	95	95
JPMorgan Chase & Co. 1.90% 03-05-2028	United States	Corporate - Non Convertible	13,000	13	13
Laurentian Bank of Canada 1.15% 06-03-2024	Canada	Corporate - Non Convertible	28,000	28	28
Laurentian Bank of Canada 1.60% 05-06-2026	Canada	Corporate - Non Convertible	8,000	8	8
Lower Mattagami Energy LP 3.42% 06-20-2024	Canada	Corporate - Non Convertible	136,000	146	144
Lower Mattagami Energy LP 2.43% 05-14-2031	Canada	Corporate - Non Convertible	5,000	5	5
Manulife Bank of Canada 2.84% 01-12-2023	Canada	Corporate - Non Convertible	418,000	422	429
Manulife Bank of Canada 1.54% 09-14-2026	Canada	Corporate - Non Convertible	33,000	33	33
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	188,000	196	196
Master Credit Card Trust II 3.06% 01-21-2022	Canada	Corporate - Non Convertible	700,000	698	704
Mastercard Inc. 1.90% 03-15-2031	United States	Corporate - Non Convertible	USD 3,000	4	4
MCAP Commercial LP 4.15% 06-17-2024	Canada	Corporate - Non Convertible	162,000	162	171
MCAP Commercial LP 3.74% 08-25-2025	Canada	Corporate - Non Convertible	70,000	70	73
Morgan Stanley F/R 03-21-2025	United States	Corporate - Non Convertible	90,000	90	90
Morguard Corp. 4.40% 09-28-2023	Canada	Corporate - Non Convertible	236,000	236	240
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	76,000	80	79
National Bank of Canada 1.53% 06-15-2026	Canada	Corporate - Non Convertible	22,000	22	22
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate - Non Convertible	57,000	57	57
National Bank of Canada 3.18% 02-01-2028 Callable 2023	Canada	Corporate - Non Convertible	267,000	277	275
National Grid Electricity Transmission PLC 2.30% 06-22-2029	United Kingdom	Corporate - Non Convertible	8,000	8	8
NextEra Energy Capital Holdings Inc. 1.90% 06-15-2028	United States	Corporate - Non Convertible	USD 3,000	4	4
North West Redwater Partnership 2.80% 06-01-2027 Callable 2027	Canada	Corporate - Non Convertible	7,000	7	7
North West Redwater Partnership 2.80% 06-01-2031	Canada	Corporate - Non Convertible	11,000	11	11
OMERS Realty Corp. 1.30% 09-22-2023	Canada	Corporate - Non Convertible	69,000	69	69
Ontario Power Generation Inc. 2.89% 04-08-2025 Callable 2025	Canada	Corporate - Non Convertible	243,000	250	255
PACCAR Financial Corp. 0.99% 05-14-2024	United States	Corporate - Non Convertible	89,000	89	89
Pembina Pipeline Corp. 2.56% 06-01-2023	Canada	Corporate - Non Convertible	324,000	324	332
Province of Alberta 2.35% 06-01-2025	Canada	Provincial Governments	263,000	281	275
Province of Newfoundland and Labrador 1.25% 06-02-2027	Canada	Provincial Governments	135,000	135	132
Province of Ontario 2.60% 09-08-2023	Canada	Provincial Governments	73,000	72	76
Province of Ontario 2.60% 06-02-2025	Canada	Provincial Governments	475,000	503	500
Province of Ontario 1.55% 11-01-2029	Canada	Provincial Governments	152,000	152	149
Province of Quebec 2.25% 02-22-2024	Canada	Provincial Governments	323,000	331	335
Province of Quebec 3.75% 09-01-2024	Canada	Provincial Governments	53,000	58	57
Province of Saskatchewan 0.80% 09-02-2025	Canada	Provincial Governments	298,000	297	294
Reliance LP 3.75% 03-15-2026 Callable 2026	Canada	Corporate - Non Convertible	81,000	81	86
Reliance LP 2.68% 12-01-2027	Canada	Corporate - Non Convertible	66,000	66	67

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2021

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
Reliance LP 2.67% 08-01-2028	Canada	Corporate - Non Convertible	5,000	5	5
RioCan Real Estate Investment Trust 2.58% 02-12-2025	Canada	Corporate - Non Convertible	306,000	306	313
RioCan Real Estate Investment Trust 1.97% 06-15-2026	Canada	Corporate - Non Convertible	203,000	203	201
Rogers Communications Inc. 4.00% 06-06-2022	Canada	Corporate - Non Convertible	184,000	197	188
Royal Bank of Canada 2.35% 07-02-2024	Canada	Corporate - Non Convertible	134,000	133	138
Royal Bank of Canada 2.61% 11-01-2024	Canada	Corporate - Non Convertible	123,000	128	128
Royal Bank of Canada 1.59% 05-04-2026	Canada	Corporate - Non Convertible	59,000	59	59
Royal Bank of Canada 1.83% 07-31-2028	Canada	Corporate - Non Convertible	11,000	11	11
Royal Bank of Canada F/R 07-25-2029	Canada	Corporate - Non Convertible	171,000	174	177
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	54,000	54	56
Royal Bank of Canada F/R 01-28-2033	Canada	Corporate - Non Convertible	11,000	11	11
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate - Non Convertible	48,000	48	51
Royal Bank of Canada F/R 11-24-2081	Canada	Corporate - Non Convertible	44,000	44	44
Sagen MI Canada Inc. 3.26% 03-05-2031	Canada	Corporate - Non Convertible	5,000	5	5
Sagen MI Canada Inc. F/R 03-24-2081	Canada	Corporate - Non Convertible	17,000	17	17
Saputo Inc. 1.94% 06-13-2022 Callable 2022	Canada	Corporate - Non Convertible	461,000	461	465
Saputo Inc. 1.42% 06-19-2026	Canada	Corporate - Non Convertible	77,000	77	75
Saputo Inc. 2.30% 06-22-2028	Canada	Corporate - Non Convertible	3,000	3	3
Shaw Communications Inc. 3.80% 11-02-2023 Callable 2023	Canada	Corporate - Non Convertible	132,000	142	139
Sienna Senior Living Inc. 3.11% 11-04-2024	Canada	Corporate - Non Convertible	32,000	32	33
Sienna Senior Living Inc. 3.45% 02-27-2026 Callable 2026	Canada	Corporate - Non Convertible	117,000	117	123
Sienna Senior Living Inc. 2.82% 03-31-2027	Canada	Corporate - Non Convertible	2,000	2	2
Summit Industrial Income Real Estate Investment Trust 2.15% 09-17-2025 Callable 2025	Canada	Corporate - Non Convertible	157,000	157	159
Summit Industrial Income Real Estate Investment Trust 1.82% 04-01-2026	Canada	Corporate - Non Convertible	75,000	75	74
Summit Industrial Income Real Estate Investment Trust 2.25% 01-12-2027	Canada	Corporate - Non Convertible	3,000	3	3
Summit Industrial Income Real Estate Investment Trust 2.44% 07-14-2028	Canada	Corporate - Non Convertible	3,000	3	3
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	145,000	143	149
Sun Life Financial Inc. F/R 10-01-2035	Canada	Corporate - Non Convertible	142,000	142	136
Sun Life Financial Inc. F/R 06-30-2081	Canada	Corporate - Non Convertible	30,000	30	30
Suzano Austria GmbH 2.50% 09-15-2028	Brazil	Corporate - Non Convertible	USD 3,000	4	4
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate - Non Convertible	20,000	21	21
TELUS Corp. 2.85% 11-13-2031	Canada	Corporate - Non Convertible	4,000	4	4
Teranet Holdings LP 3.54% 06-11-2025	Canada	Corporate - Non Convertible	127,000	127	135
TMX Group Ltd 2.02% 02-12-2031	Canada	Corporate - Non Convertible	3,000	3	3
The Toronto-Dominion Bank 2.50% 12-02-2024	Canada	Corporate - Non Convertible	66,000	66	68
The Toronto-Dominion Bank 1.13% 12-09-2025	Canada	Corporate - Non Convertible	135,000	135	132
The Toronto-Dominion Bank 1.89% 03-08-2028	Canada	Corporate - Non Convertible	27,000	27	27
The Toronto-Dominion Bank 1.90% 09-11-2028	Canada	Corporate - Non Convertible	12,000	12	12
The Toronto-Dominion Bank F/R 09-14-2028 Callable 2023	Canada	Corporate - Non Convertible	106,000	106	111
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	Canada	Corporate - Non Convertible	291,000	299	305
The Toronto-Dominion Bank F/R 10-31-2081	Canada	Corporate - Non Convertible	32,000	32	32
Tourmaline Oil Corp. 2.08% 01-25-2028	Canada	Corporate - Non Convertible	3,000	3	3
Tourmaline Oil Corp. 2.53% 02-12-2029	Canada	Corporate - Non Convertible	2,000	2	2
Toyota Credit Canada Inc. 1.18% 02-23-2026	Canada	Corporate - Non Convertible	30,000	30	29
Toyota Motor Corp. 1.34% 03-25-2026	Japan	Corporate - Non Convertible	USD 16,000	20	20
TransCanada PipeLines Ltd. F/R 06-09-2024	Canada	Corporate - Non Convertible	61,000	61	61
TransCanada PipeLines Ltd. 4.20% 03-04-2081	Canada	Corporate - Non Convertible	17,000	17	17



# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

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## SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2021

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000)	Fair Value (\$ 000)
<b>BONDS (cont'd)</b>					
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	140,000	147	146
Transcontinental Inc. 2.28% 07-13-2026	Canada	Corporate - Non Convertible	9,000	9	9
Vancouver Airport Authority 2.17% 06-23-2025	Canada	Corporate - Non Convertible	37,000	37	37
Verizon Communications Inc. F/R 03-20-2026	United States	Corporate - Non Convertible	USD 20,000	25	26
Verizon Communications Inc. 2.38% 03-22-2028	United States	Corporate - Non Convertible	10,000	10	10
Verizon Communications Inc. 2.55% 03-21-2031	United States	Corporate - Non Convertible	USD 3,000	4	4
Wells Fargo & Co. 2.98% 05-19-2026	United States	Corporate - Non Convertible	30,000	32	31
WSP Global Inc. 2.41% 04-19-2028	Canada	Corporate - Non Convertible	6,000	6	6
<b>Total bonds</b>				<b>23,327</b>	<b>23,416</b>
<b>EQUITIES</b>					
BCE Inc. Pfd. Series AA	Canada	Communication Services	411	6	8
BCE Inc. Pfd. Series AI	Canada	Communication Services	220	3	4
BCE Inc. 4.54% Cum. Red. First Pfd. Series R Callable	Canada	Communication Services	24	—	—
Brookfield Asset Management Inc. Pfd. Series 46	Canada	Real Estate	228	6	6
Brookfield Renewable Partners LP Pfd. Series 11	Canada	Real Estate	513	13	13
Brookfield Renewable Partners LP Pfd. Series 13	Canada	Real Estate	191	5	5
TC Energy Corp. Pfd. Series 15	Canada	Energy	1,188	30	30
Transalta Corp. 4.60% Perpetual Pfd. Callable 2022 Series C	Canada	Utilities	60	1	1
Westcoast Energy Inc. 5.20% Cum. Red. First Pfd. Series 12	Canada	Utilities	71	2	2
<b>Total equities</b>				<b>66</b>	<b>69</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
<sup>1</sup> Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	713	69	68
<sup>1</sup> Mackenzie Emerging Markets Local Currency Bond Index ETF	Canada	Exchange-Traded Funds/Notes	1,520	143	133
<b>Total exchange-traded funds/notes</b>				<b>212</b>	<b>201</b>
Transaction costs				—	—
<b>Total investments</b>				<b>23,605</b>	<b>23,686</b>
Derivative instruments (see schedule of derivative instruments)					54
Cash and cash equivalents					151
Other assets less liabilities					184
<b>Net assets attributable to securityholders</b>					<b>24,075</b>

<sup>1</sup> This exchange-traded fund is managed by an affiliate of CLIML.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2021	
Portfolio Allocation	% of NAV
Bonds	97.5
<i>Bonds</i>	97.3
<i>Short futures</i>	0.2
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.8
Cash and short-term investments	0.6
Equities	0.3

Regional Allocation	% of NAV
Canada	93.6
United States	3.4
Other assets (liabilities)	0.8
Other	0.8
Cash and short-term investments	0.6
Germany	0.5
Japan	0.1
United Kingdom	0.1
South Korea	0.1

Sector Allocation	% of NAV
Corporate bonds	66.3
Federal bonds	23.5
Provincial bonds	7.5
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.8
Cash and short-term investments	0.6
Financials	0.3
Other	0.2

March 31, 2021	
Portfolio Allocation	% of NAV
Bonds	94.2
<i>Bonds</i>	94.1
<i>Short futures</i>	0.1
Cash and short-term investments	4.0
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.7
Equities	0.3

Regional Allocation	% of NAV
Canada	92.6
Cash and short-term investments	4.0
United States	1.7
Other assets (liabilities)	0.7
Other	0.5
Germany	0.4
Japan	0.1

Sector Allocation	% of NAV
Corporate bonds	68.5
Federal bonds	20.5
Provincial bonds	5.0
Cash and short-term investments	4.0
Exchange-traded funds/notes	0.8
Other assets (liabilities)	0.7
Financials	0.3
Futures	0.1
Mortgage backed	0.1

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2021

### Schedule of Futures Contracts

Type of Contract	Number of Contracts	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000)	Unrealized Gains (\$ 000)	Unrealized Losses (\$ 000)
10 Year Canadian Government Bond Futures December 2021	(16)	Dec. 20, 2021	146.52 CAD	(2,290)	54	–
<b>Total futures contracts</b>				<b>(2,290)</b>	<b>54</b>	<b>–</b>

\* Notional value represents the exposure to the underlying instruments as at September 30, 2021

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the six-month periods ended or as at September 30, 2021 and 2020, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2021, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Where a series of a Fund was terminated during either period, the information for the series is provided up to close of business on the termination date. Refer to Note 10 for the formation date of the Fund and the inception date of each series.

The Fund is organized as an open-ended mutual fund trust established under the laws of the Province of Ontario pursuant to a Declaration of Trust as amended and restated from time to time. The address of the Fund's registered office is 255 Dufferin Avenue, London, Ontario, Canada. The Fund is authorized to issue an unlimited number of units (referred to as "security" or "securities") of multiple series. Series of the Fund are available for sale under Simplified Prospectus or exempt distribution options.

Canada Life Investment Management Ltd. ("CLIML") is the manager of the Fund and is wholly owned by The Canada Life Assurance Company ("Canada Life"), a subsidiary of Power Corporation of Canada. Prior to January 1, 2021, Mackenzie Financial Corporation ("Mackenzie") was the manager of the Fund. Effective January 1, 2021, the Fund's manager and trustee changed from Mackenzie to CLIML. Mackenzie is also a subsidiary of Power Corporation of Canada. CLIML has entered into a fund administration agreement with Mackenzie. Investments in companies within the Power Group of companies held by the Fund are identified in the Schedule of Investments.

### 2. Basis of Preparation and Presentation

These unaudited interim financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared using the same accounting policies, critical accounting judgements and estimates as applied in the Fund's most recent audited annual financial statements for the year ended March 31, 2021. A summary of the Fund's significant accounting policies under IFRS is presented in Note 3.

These financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency, and rounded to the nearest thousand unless otherwise indicated. These financial statements are prepared on a going concern basis using the historical cost basis, except for financial assets and liabilities that have been measured at fair value.

These financial statements were authorized for issue by the Board of Directors of CLIML on November 16, 2021.

### 3. Significant Accounting Policies

#### (a) Financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives. The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments. Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial instruments are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial assets are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation is discharged, cancelled or expires. As such, investment purchase and sale transactions are recorded as of the trade date.

Financial instruments are subsequently measured at FVTPL with changes in fair value recognized in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The cost of investments is determined on a weighted average cost basis.

Realized and unrealized gains and losses on investments are calculated based on the weighted average cost of investments and exclude commissions and other portfolio transaction costs, which are separately reported in the Statement of Comprehensive Income – Commissions and other portfolio transaction costs.

Gains and losses arising from changes in the fair value of the investments are included in the Statement of Comprehensive Income for the period in which they arise.

The Fund accounts for its holdings in unlisted open-ended investment funds and exchange-traded funds, if any, at FVTPL. CLIML has concluded that any unlisted open-ended investment funds and exchange-traded funds in which the Fund invests, do not meet either the definition of a structured entity or the definition of an associate.

The Fund's redeemable securities entitle securityholders the right to redeem their interest in the Fund for cash equal to their proportionate share of the net asset value of the Fund, amongst other contractual rights. The Fund's redeemable securities meet the criteria for classification as financial liabilities under IAS 32, Financial Instruments: Presentation. The Fund's obligation for net assets attributable to securityholders is presented at the redemption amount.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (a) Financial instruments (cont'd)

IAS 7, Statement of Cash Flows, requires disclosures related to changes in liabilities and assets, such as the securities of the Fund, arising from financing activities. Changes in securities of the Fund, including both changes from cash flows and non-cash changes, are included in the Statement of Changes in Financial Position. Any changes in the securities not settled in cash as at the end of the period are presented as either Accounts receivable for securities issued or Accounts payable for securities redeemed in the Statement of Financial Position. These accounts receivable and accounts payable amounts typically settle shortly after period-end.

#### (b) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments listed on a public securities exchange or traded on an over-the-counter market are valued on the basis of the last traded market price or close price recorded by the security exchange on which the security is principally traded, where this price falls within the quoted bid-ask spread for the investment. In circumstances where this price is not within the bid-ask spread, CLIML determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. Unlisted or non-exchange traded investments, or investments where a last sale or close price is unavailable or investments for which market quotations are, in CLIML's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by CLIML using appropriate and accepted industry valuation techniques including valuation models. The fair value determined using valuation models requires the use of inputs and assumptions based on observable market data including volatility and other applicable rates or prices. In limited circumstances, the fair value may be determined using valuation techniques that are not supported by observable market data.

Cash and cash equivalents which includes cash on deposit with financial institutions and short-term investments that are readily convertible to cash, are subject to an insignificant risk of changes in value, and are used by the Fund in the management of short-term commitments. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to their nature of being highly liquid and having short terms to maturity. Bank overdraft positions are presented under current liabilities as bank indebtedness in the Statement of Financial Position.

The Fund may use derivatives (such as written options, futures, forward contracts, swaps or customized derivatives) to hedge against losses caused by changes in securities prices, interest rates or exchange rates. The Fund may also use derivatives for non-hedging purposes in order to invest indirectly in securities or financial markets, to gain exposure to other currencies, to seek to generate additional income, and/or for any other purpose considered appropriate by the Fund's portfolio manager(s), provided that the use of the derivative is consistent with the Fund's investment objectives. Any use of derivatives will comply with Canadian mutual fund laws, subject to the regulatory exemptions granted to the Fund, as applicable. Refer to "Exemptions from National Instrument 81-102" in the Annual Information Form of the Fund for further details, including the complete conditions of these exemptions, as applicable.

Valuations of derivative instruments are carried out daily, using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives.

The value of forward contracts is the gain or loss that would be realized if, on the valuation date, the positions were to be closed out. The change in value of forward contracts is included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net unrealized gain (loss).

The value of futures contracts or swaps fluctuates daily, and cash settlements made daily, where applicable, by the Fund are equal to the change in unrealized gains or losses that are best determined at the settlement price. These unrealized gains or losses are recorded and reported as such until the Fund closes out the contract or the contract expires. Margin paid or deposited in respect of futures contracts or swaps is reflected as a receivable in the Statement of Financial Position – Margin on derivatives. Any change in the variation margin requirement is settled daily.

Premiums paid for purchasing an option are recorded in the Statement of Financial Position – Investments at fair value.

Premiums received from writing options are included in the Statement of Financial Position as a liability and subsequently adjusted daily to fair value. If a written option expires unexercised, the premium received is recognized as a realized gain. If a written call option is exercised, the difference between the proceeds of the sale plus the value of the premium, and the cost of the security is recognized as a realized gain or loss. If a written put option is exercised, the cost of the security acquired is the exercise price of the option less the premium received.

Refer to the Schedule of Derivative Instruments and Schedule of Options Purchased/Written, as applicable, included in the Schedule of Investments for a listing of derivative and options positions as at September 30, 2021.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2021

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (b) Fair value measurement (cont'd)

The Fund categorizes the fair value of its assets and liabilities into three categories, which are differentiated based on the observable nature of the inputs and extent of estimation required.

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly. Examples of Level 2 valuations include quoted prices for similar securities, quoted prices on inactive markets and from recognized investment dealers, and the application of factors derived from observable data to non-North American quoted prices in order to estimate the impact of differences in market closing times.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.

The estimated fair values for these securities may be different from the values that would have been used had a ready market for the investment existed; and

Level 3 – Inputs that are not based on observable market data.

The inputs are considered observable if they are developed using market data, such as publicly available information about actual events or transactions, and that reflect the assumption that market participants would use when pricing the asset or liability.

See Note 10 for the fair value classifications of the Fund.

#### (c) Income recognition

Interest income from interest bearing investments is recognized using the effective interest method. Dividends are accrued as of the ex-dividend date. Realized gains or losses on the sale of investments, including foreign exchange gains or losses on such investments, are calculated on an average cost basis. Distributions received from an underlying fund are included in interest income, dividend income, realized gains (losses) on sale of investments or fee rebate income, as appropriate, on the ex-dividend or distribution date.

Income, realized gains (losses) and unrealized gains (losses) are allocated daily among the series on a pro-rata basis.

#### (d) Commissions and other portfolio transaction costs

Commissions and other portfolio transaction costs are costs incurred to acquire, issue or dispose of financial assets or liabilities. They include fees and commissions paid to agents, exchanges, brokers, dealers and other intermediaries. The total brokerage commissions incurred by the Fund in connection with portfolio transactions for the periods, together with other transaction charges, is disclosed in the Statements of Comprehensive Income. Brokerage business is allocated to brokers based on the best net result for the Fund. Subject to this criteria, commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers during the periods is disclosed in Note 10. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

#### (e) Securities lending, repurchase and reverse repurchase transactions

The Fund is permitted to enter into securities lending, repurchase and reverse repurchase transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date.

Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions included in the Statement of Comprehensive Income and recognized when earned. Securities lending transactions are administered by The Bank of New York Mellon (the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased.

Note 10 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable. Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments, and financial institutions.

# CANADA LIFE SHORT-TERM BOND FUND

(Formerly Canada Life Short Term Bond Fund (Portico))

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## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

#### (f) Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Note 10 summarizes the details of such offsetting, if applicable, subject to master netting arrangements or other similar agreements and the net impact to the Statements of Financial Position if all such rights were exercised.

Income and expenses are not offset in the Statement of Comprehensive Income unless required or permitted to by an accounting standard, as specifically disclosed in the IFRS policies of the Fund.

#### (g) Currency

The functional and presentation currency of the Fund is Canadian dollars. Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included in the Statement of Comprehensive Income – Other changes in fair value of investments and other net assets – Net realized gain (loss).

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each business day.

#### (h) Net assets attributable to securityholders per security

Net assets attributable to securityholders per security is computed by dividing the net assets attributable to securityholders of a series of securities on a business day by the total number of securities of the series outstanding on that day.

#### (i) Net asset value per security

The daily Net Asset Value (“NAV”) of an investment fund may be calculated without reference to IFRS as per the Canadian Securities Administrators’ (“CSA”) regulations. The difference between NAV and Net assets attributable to securityholders (as reported in the financial statements), if any, is mainly due to differences in fair value of investments and other financial assets and liabilities and is disclosed in Note 10.

#### (j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

#### (k) Mergers

In a fund merger, the Fund acquires all of the assets and assumes all of the liabilities of the terminating fund at fair value in exchange for securities of the Fund on the effective date of the merger.

#### (l) Future accounting changes

The Fund has determined there are no material implications to the Fund’s financial statements arising from IFRS issued but not yet effective.

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The ongoing international mutation and transmission of COVID-19 continued to negatively impact the global economy and caused volatility in financial markets. The COVID-19 pandemic may continue to adversely affect global markets and the Fund’s performance.

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## NOTES TO FINANCIAL STATEMENTS

### 4. Critical Accounting Estimates and Judgments (cont'd)

The following discusses the most significant accounting judgments and estimates made in preparing the financial statements:

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgments

##### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, CLIML is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. CLIML has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

##### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, CLIML is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. CLIML has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

### 5. Income Taxes

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income including net realized capital gains in the taxation year, which is not paid or payable to its securityholders as at the end of the taxation year. The Fund maintains a December year-end for tax purposes. It is the intention of the Fund to distribute all of its net income and sufficient net realized capital gains so that the Fund will not be subject to income taxes other than foreign withholding taxes, if applicable.

Losses of the Fund cannot be allocated to investors and are retained in the Fund for use in future years. Non-capital losses may be carried forward up to 20 years to reduce taxable income and realized capital gains of future years. Capital losses may be carried forward indefinitely to reduce future realized capital gains. Refer to Note 10 for the Fund's loss carryforwards.

### 6. Management Fees and Operating Expenses

For each applicable series, the Fund paid management fees and administration fees ("Administration Fee") to Mackenzie for the period from April 1, 2020 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.

The management fees were used by Mackenzie in the pre-manager change period, and used by CLIML after the pre-manager change period, for managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio and making arrangements with registered dealers for the purchase and sale of securities of the Fund by investors. The management fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.



# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 6. Management Fees and Operating Expenses (cont'd)

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 Funds. In addition, Mackenzie pays all costs and expenses (other than certain specified fund costs) required to operate the Fund that are not included in the management fee. The Administration Fee is calculated on each series of securities of the Fund as a fixed annual percentage of the daily net asset value of the series.

Other fund costs include taxes (including, but not limited to GST/HST and income tax), interest and borrowing costs, all fees and expenses of the CLIML Funds' Independent Review Committee (IRC), costs of complying with the regulatory requirement to produce Fund Facts, fees paid to external service providers associated with tax reclaims, refunds or the preparation of foreign tax reports on behalf of the Funds, new fees related to external services that were not commonly charged in the Canadian mutual fund industry and introduced after the date of the most recently filed simplified prospectus, and the costs of complying with any new regulatory requirements, including, without limitation, any new fees introduced after the date of the most recently filed simplified prospectus.

CLIML may waive or absorb management fees and/or Administration Fees at its discretion and stop waiving or absorbing such fees at any time without notice. Refer to Note 10 for the management fee and Administration Fee rates charged to each series of securities.

### 7. Fund's Capital

The capital of the Fund, which is comprised of the net assets attributable to securityholders, is divided into different series with each series having an unlimited number of securities. The securities outstanding for the Fund as at September 30, 2021 and 2020 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. CLIML manages the capital of the Fund in accordance with the investment objectives as discussed in Note 10.

### 8. Financial Instruments Risk

#### i. Risk exposure and management

The Fund's investment activities expose it to a variety of financial risks, as defined in IFRS 7, Financial Instruments: Disclosures. The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2021, grouped by asset type, with geographic and sector information.

CLIML seeks to minimize potential adverse effects of financial risks on the Fund's performance by employing professional, experienced portfolio advisors, by monitoring the Fund's positions and market events daily, by diversifying the investment portfolio within the constraints of the Fund's investment objectives, and where applicable, by using derivatives to hedge certain risk exposures. To assist in managing risks, CLIML also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, internal guidelines, and securities regulations.

#### ii. Liquidity risk

Liquidity risk arises when the Fund encounters difficulty in meeting its financial obligations as they come due. The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable securities. In order to monitor the liquidity of its assets, the Fund utilizes a liquidity risk management program that calculates the number of days to convert the investments held by the Fund into cash using a multi-day liquidation approach. This liquidity risk analysis assesses the Fund's liquidity against predetermined minimum liquidity percentages established for different time periods and is monitored quarterly. In addition, the Fund has the ability to borrow up to 5% of its net assets for the purposes of funding redemptions.

In order to comply with securities regulations, the Fund must maintain at least 85% of its assets in liquid investments (i.e., investments that can be readily sold).

#### iii. Currency risk

Currency risk is the risk that financial instruments which are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's functional currency, will fluctuate due to changes in exchange rates. Generally, foreign denominated investments increase in value when the value of the Canadian dollar (relative to foreign currencies) falls. Conversely, when the value of the Canadian dollar rises relative to foreign currencies, the values of foreign denominated investments fall.

# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### iii. Currency risk (cont'd)

Note 10 indicates the foreign currencies, if applicable, to which the Fund had significant exposure, including both monetary and non-monetary financial instruments, and illustrates the potential impact, in Canadian dollar terms, to the Fund's net assets had the Canadian dollar strengthened or weakened by 5% relative to all foreign currencies, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to currency risk illustrated in Note 10 includes potential indirect impacts from underlying funds and Exchange Traded Funds ("ETFs") in which the Fund invests, and/or derivative contracts including forward currency contracts. Other financial assets and liabilities (including dividends and interest receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

#### iv. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Generally, these securities increase in value when interest rates fall and decrease in value when interest rates rise.

If significant, Note 10 summarizes the Fund's interest-bearing financial instruments by remaining term to maturity and illustrates the potential impact to the Fund's net assets had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to interest rate risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts. Cash and cash equivalents and other money market instruments are short term in nature and are not generally subject to significant amounts of interest rate risk.

#### v. Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies. Except for certain derivative contracts, the maximum risk resulting from financial instruments is equivalent to their fair value. The maximum risk of loss on certain derivative contracts such as forwards, swaps, and futures contracts is equal to their notional values. In the case of written call (put) options and short futures contracts, the loss to the Fund continues to increase, theoretically without limit, as the fair value of the underlying interest increases (decreases). However, these instruments are generally used within the overall investment management process to manage the risk from the underlying investments and do not typically increase the overall risk of loss to the Fund. This risk is mitigated by ensuring that the Fund holds a combination of the underlying interest, cash cover and/or margin that is equal to or greater than the value of the derivative contract.

Other price risk typically arises from exposure to equity and commodity securities. If significant, Note 10 illustrates the potential increase or decrease in the Fund's net assets, had the prices on the respective exchanges for these securities increased or decreased by 10%, all other variables held constant. In practice, the actual trading results may differ and the difference could be material.

The Fund's sensitivity to other price risk illustrated in Note 10 includes potential indirect impacts from underlying funds and ETFs in which the Fund invests, and/or derivative contracts.

#### vi. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Note 10 summarizes the Fund's exposure, if applicable and significant, to credit risk.

If presented, credit ratings and rating categories are based on ratings issued by a designated rating organization. Indirect exposure to credit risk may arise from fixed-income securities, such as bonds, held by underlying funds and ETFs, if any. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer.

To minimize the possibility of settlement default, securities are exchanged for payment simultaneously, where market practices permit, through the facilities of a central depository and/or clearing agency where customary.

The carrying amount of investments and other assets represents the maximum credit risk exposure as at the date of the Statement of Financial Position. The Fund may enter into securities lending transactions with counterparties and it may also be exposed to credit risk from the counterparties to the derivative instruments it may use. Credit risk associated with these transactions is considered minimal as all counterparties have a rating equivalent to a designated rating organization's credit rating of not less than A-1 (low) on their short-term debt and of A on their long-term debt, as applicable.

# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 8. Financial Instruments Risk (cont'd)

#### vii. Underlying funds

The Fund may invest in underlying funds and may be indirectly exposed to currency risk, interest rate risk, other price risk and credit risk from fluctuations in the value of financial instruments held by the underlying funds. Note 10 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

### 9. Other Information

#### Abbreviations

Foreign currencies, if any, are presented in these financial statements using the following abbreviated currency codes:

Currency Code	Description	Currency Code	Description	Currency Code	Description
AUD	Australian dollars	HKD	Hong Kong dollars	PKR	Pakistani rupee
AED	United Arab Emirates Dirham	HUF	Hungarian forint	PLN	Polish zloty
BRL	Brazilian real	IDR	Indonesian rupiah	QAR	Qatar Rial
CAD	Canadian dollars	ILS	Israeli shekel	RON	Romanian leu
CHF	Swiss franc	INR	Indian rupee	RUB	Russian ruble
CKZ	Czech koruna	JPY	Japanese yen	SAR	Saudi riyal
CLP	Chilean peso	KOR	South Korean won	SEK	Swedish krona
CNY	Chinese yuan	MXN	Mexican peso	SGD	Singapore dollars
COP	Colombian peso	MYR	Malaysian ringgit	THB	Thailand baht
CZK	Czech koruna	NGN	Nigerian naira	TRL	Turkish lira
DKK	Danish krone	NOK	Norwegian krona	USD	United States dollars
EGP	Egyptian pound	NTD	New Taiwan dollar	VND	Vietnamese dong
EUR	Euro	NZD	New Zealand dollars	ZAR	South African rand
GBP	United Kingdom pounds	PEN	Peruvian nuevo sol	ZMW	Zambian kwacha
GHS	Ghana Cedi	PHP	Philippine peso		

# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000, except for (a))

#### (a) Fund Formation and Series Information

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 the Statements of Changes in Financial Position.

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

A Series, F Series, FW Series, QF Series, QFW Series and W Series securities are no longer available for sale, except for additional purchases by investors who have held these securities since October 1, 2018. Before August 19, 2021, A Series, F Series, FW Series and W Series securities were known as Q Series, H Series, HW Series and L Series, respectively. Before August 14, 2020, Q Series securities were known as Quadrus Series.

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 Series Account Agreement with CLIML and Quadrus.

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

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 and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. 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
A Series <sup>(2)</sup>	July 10, 2013	1.10%	0.17%
F Series <sup>(3)</sup>	July 5, 2013	0.60%	0.15%
FW Series <sup>(3)</sup>	August 7, 2018	0.50%	0.15%
N Series	August 28, 2013	— <sup>(1)</sup>	— <sup>(1)</sup>
QF Series	July 12, 2016	0.60%	0.17%
QFW Series	August 7, 2018	0.50%	0.15%
Series R	July 14, 2016	—*	—*
W Series <sup>(3)</sup>	July 19, 2013	1.00%	0.15%

\* Not applicable.

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

(2) Before August 19, 2021, A Series securities were known as Q Series. Before August 14, 2020, Q Series securities were known as Quadrus Series.

(3) Before August 19, 2021, F Series, FW Series and W Series securities were known as H Series, HW Series and L Series, respectively.

#### (b) Investments by Canada Life, CLIML and Affiliates

As at September 30, 2021, other funds managed by CLIML had an investment of \$17,487 (March 31, 2021 – \$19,776) in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$1,201 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

#### (d) Securities Lending

As at September 30, 2021 and March 31, 2021, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Investments Pledged as Collateral

As at September 30, 2021, investments in Canada Treasury Bills with a fair value of \$128 (March 31, 2021 – \$52) have been pledged as collateral against future contracts.

#### (f) Name Change

Effective August 19, 2021, the Fund was renamed Canada Life Short-Term Bond Fund.

# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (g) Change in Sub-Advisor

On December 31, 2020, Mackenzie acquired GLC Asset Management Group Ltd. ("GLC"), a subsidiary of Canada Life. Effective January 1, 2021, the Fund's manager and trustee changed from Mackenzie to CLIML.

Concurrent with these changes, Mackenzie replaced GLC as sub-advisor to the Fund.

#### (h) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

	September 30, 2021			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	54	–	–	54
Unrealized losses on derivative contracts	–	–	64	64
Liability for options written	–	–	–	–
Total	54	–	64	118

	March 31, 2021			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	41	–	–	41
Unrealized losses on derivative contracts	–	–	76	76
Liability for options written	–	–	–	–
Total	41	–	76	117

#### (i) Risks Associated with Financial Instruments

##### *i. Risk exposure and management*

The Fund seeks income by investing primarily in high-quality, short-term fixed income securities issued by Canadian federal, provincial or municipal governments or by Canadian corporations, either directly and/or through other mutual funds. The Fund may hold up to 30% of its assets in foreign investments.

##### *ii. Currency risk*

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to currency risk.

##### *iii. Interest rate risk*

The table below summarizes the Fund's exposure to interest rate risks from its investments in bonds and derivative instruments by term to maturity.

Bonds	September 30, 2021 (\$)		March 31, 2021 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	2,421	(2,290)	2,689	(5,134)
1-5 years	16,964	–	18,480	–
5-10 years	3,398	–	4,050	–
Greater than 10 years	633	–	587	–
Total	23,416	(2,290)	25,806	(5,134)

As at September 30, 2021, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets would have decreased or increased by approximately \$443 or 1.8% of total net assets (March 31, 2021 – \$349 or 1.3%). In practice, the actual trading results may differ and the difference could be material.

# CANADA LIFE SHORT-TERM BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 10. Fund Specific Information (in '000s, except for (a)) (cont'd)

#### (i) Risks Associated with Financial Instruments (cont'd)

##### iv. Other price risk

As at September 30, 2021 and March 31, 2021, the Fund did not have a significant exposure to price risk.

##### v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2021, was 23.5% of the net assets of the Fund (March 31, 2021 – 20.5%).

As at September 30, 2021 and March 31, 2021, debt securities by credit rating are as follows:

Bond Rating*	September 30, 2021	March 31, 2021
	% of Net Assets	% of Net Assets
AAA	23.6	20.5
AA	2.0	2.2
A	21.8	20.1
BBB	21.5	23.4
Less than BBB	2.7	0.4
Unrated	25.7	27.5
Total	97.3	94.1

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

#### (j) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the fair value hierarchy described in note 3.

	September 30, 2021				March 31, 2021			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	23,416	–	23,416	–	25,806	–	25,806
Equities	69	–	–	69	73	–	–	73
Exchange-traded funds/notes	201	–	–	201	207	–	–	207
Derivative assets	54	–	–	54	41	–	–	41
Short-term investments	–	–	–	–	–	606	–	606
Total	324	23,416	–	23,740	321	26,412	–	26,733

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period, there were no transfers between Level 1 and Level 2.