

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

HIGH YIELD FIXED INCOME FUND

Annual Management Report of Fund Performance

For the Year Ended March 31, 2020

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting 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 and the ability of Mackenzie to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

CANADA LIFE MUTUAL FUNDS

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

Management Discussion of Fund Performance

July 13, 2020

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the year ended March 31, 2020 (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, "Mackenzie" refers to Mackenzie Financial Corporation, the manager of the Fund. 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 income with potential for long-term capital growth by investing primarily in high-yield U.S. and Canadian corporate fixed income securities, either directly or through other mutual funds. It currently invests all its assets in Mackenzie North American Corporate Bond Fund (the "Underlying Fund").

Risk

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

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

Results of Operations

Investment Performance

The performance of the Fund's Quadrus 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 Quadrus Series securities returned -4.7% (after deducting fees and expenses paid by the series). This compares with a return of 4.5% for the Fund's broad-based index, the FTSE Canada Universe Bond Index, and a return of -9.8% for a blended index composed of a 75% weighting in the ICE BofA U.S. High Yield (Hedged) Index (returned -8.8%) and a 25% weighting in the ICE BofA High Yield Canadian Issuers (Hedged) Index (returned -12.8%). All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

Government bond prices rose as yields declined over the period, while corporate bond prices fell. In March, the Bank of Canada made emergency policy rate cuts in response to the COVID-19 crisis. Yields on 10-year and 30-year Government of Canada bonds fell to record lows, leading long-term government bonds to outperform. Corporate bonds, especially in the energy sector, underperformed as credit risks began to reflect economic concerns.

High-yield bond prices fell as the spread of COVID-19 sent global markets into turmoil. Oil prices declined after Russia and the Organization of the Petroleum Exporting Countries failed to agree to cut production. High-yield spreads (the difference in yield between government bonds and high-yield bonds of similar maturity) widened significantly. In March, the U.S. Federal Reserve reduced the federal funds rate to near zero.

The Fund underperformed the broad-based index, with the Underlying Fund's shorter duration detracting from performance as interest rates fell. The Underlying Fund's holdings in high-yield corporate bonds also detracted as they underperformed investment grade bonds. Given the Fund's mandate, the return of the blended index is a more meaningful comparison.

The Fund outperformed the blended index, with the Underlying Fund's holdings in term loans contributing to performance. At the sector level, an underweight position and security selection in the energy sector contributed. Conversely, the Underlying Fund's security selection among high-yield corporate bonds detracted from performance relative to the blended index. At the sector level, security selection in the industrial sector and an underweight position and security selection in financial services detracted.

The Underlying Fund's foreign currency exposure was partially hedged. The remaining unhedged exposure contributed to performance as the U.S. dollar appreciated relative to the Canadian dollar.

The Underlying Fund held put options on a high-yield bond exchange-traded fund to protect against a downturn in high-yield markets, which contributed to performance. The Underlying Fund's short futures positions, used to manage portfolio duration, had no significant impact on performance.

The Underlying Fund's new portfolio management team (see *Recent Developments*) repositioned the portfolio during the period. The team increased the Underlying Fund's credit quality, increasing its exposure to term loans and decreasing its exposure to corporate bonds. The team also increased the Underlying Fund's exposure to Canada and decreased its exposure to the United States, based on the relative valuations of these countries. The number of securities held in the Underlying Fund was reduced.

Net Assets

The Fund's NAV declined by 6.1% to \$53.3 million at March 31, 2020, from \$56.8 million at March 31, 2019. This change was composed primarily of \$2.3 million in net losses (after including dividend and interest income) from investment performance, after deducting fees and expenses, and \$1.2 million in net redemptions.

NORTH AMERICAN HIGH YIELD BOND FUND

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

Fees and Expenses

The management expense ratio (“MER”) for Quadrus Series of 1.87% during the year ended March 31, 2020, was slightly higher than the MER of 1.86% for the year ended March 31, 2019. 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 emergency measures to combat the spread of the COVID-19 virus in the last several months. These measures have caused significant volatility and weakness in global equity markets and material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

On September 20, 2019, the Mackenzie Fixed Income team, led by Steve Locke, assumed responsibility for portfolio management of the Underlying Fund and the Fund. On September 27, 2019, the Fund was renamed North American High Yield Bond Fund.

In the high-yield market, the team remains concerned about the uncertain timeframe and ultimate impact of the COVID-19 pandemic. The team therefore plans to maintain a defensive tilt within the portfolio, with a higher overall credit rating than the broader high-yield market.

In the team’s view, substantial potential declines are already priced into the term loan market, including downgrades to debt rated “CCC” and double-digit defaults stemming from a sharp drop in gross domestic product growth. However, the team believes prices for term loans could continue to fall if the steep decline in U.S. and global economic activity persists. The team believes this presents a buying opportunity over the long term, notwithstanding short-term volatility.

On August 17, 2020, the Fund will be renamed Canada Life North American High Yield Bond Fund.

Related Party Transactions

The following arrangements result in fees paid by the Fund to Mackenzie 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 at the annual rates specified under *Fund Formation and Series Information* in this report and as more fully described in the Prospectus. 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

Mackenzie relied on a recommendation issued by the Mackenzie Funds’ Independent Review Committee to replace the Fund’s sub-advisor, Putnam Advisory Co. LLC, with portfolio managers at Mackenzie, effective September 20, 2019.

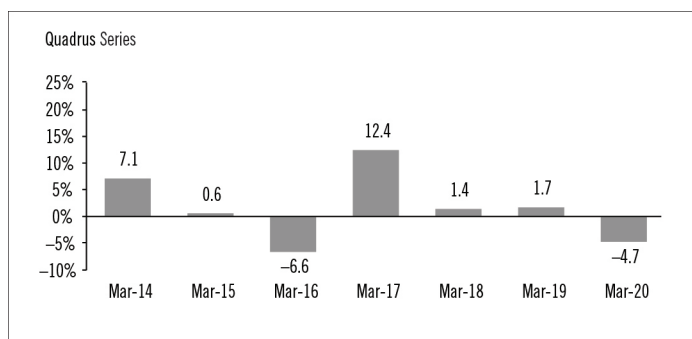
Past Performance

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*.

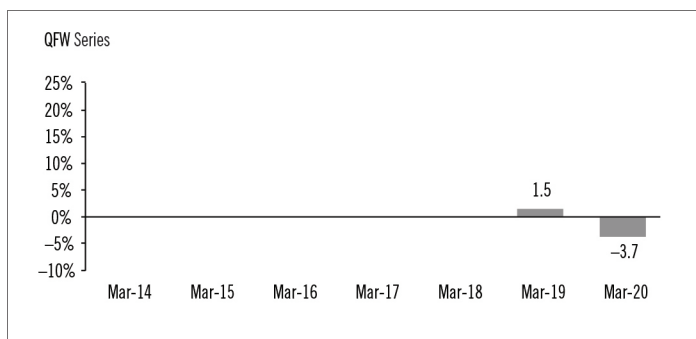
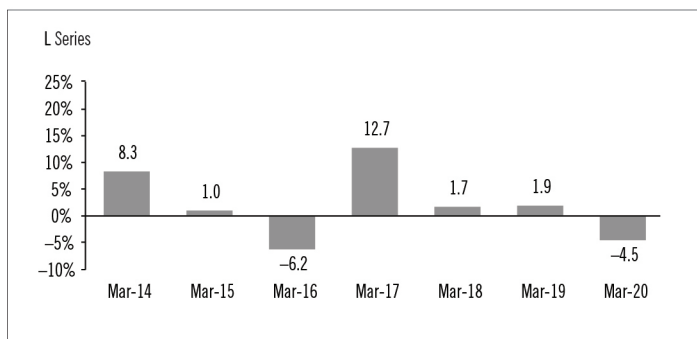
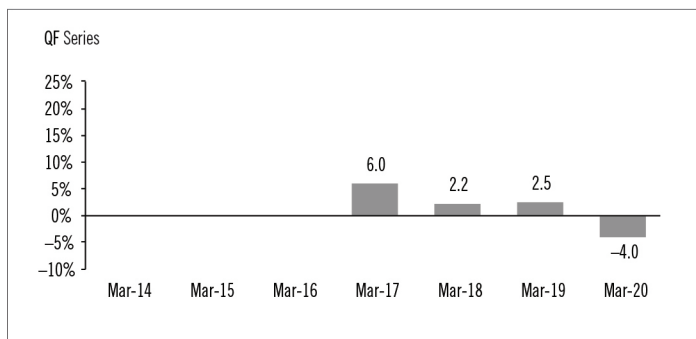
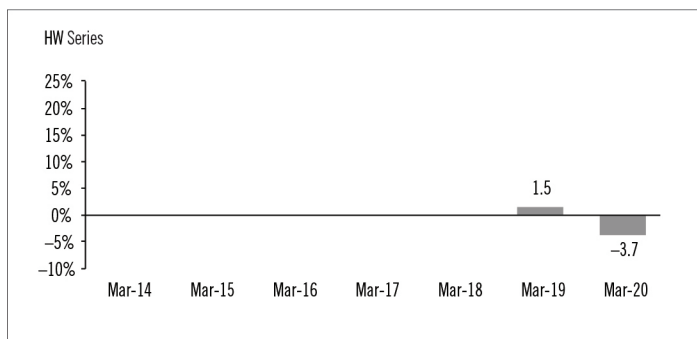
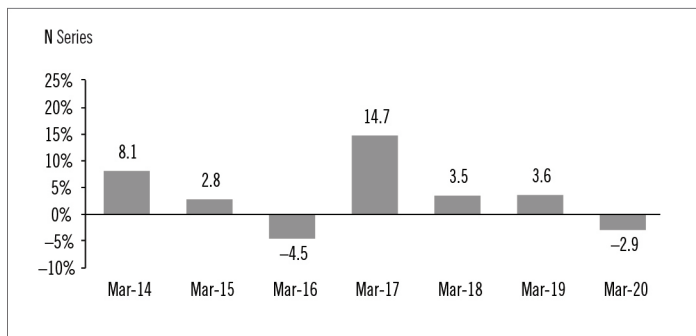
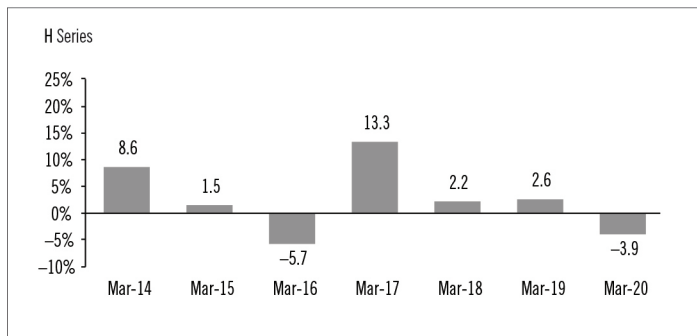


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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND



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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

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, 2020. 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 Inception ²
Quadrus Series	-4.7	-0.6	0.6	n/a	1.6
H Series	-3.9	0.3	1.5	n/a	2.6
HW Series	-3.7	n/a	n/a	n/a	-1.4
L Series	-4.5	-0.3	0.9	n/a	2.0
N Series	-2.9	1.3	2.7	n/a	3.6
QF Series	-4.0	0.2	n/a	n/a	1.7
QFW Series	-3.7	n/a	n/a	n/a	-1.4
Blended Index	-9.8	-0.8	2.0	n/a	Note 3
FTSE Canada Universe Bond Index*	4.5	3.7	2.7	n/a	Note 4
ICE BofA U.S. High Yield (Hedged) Index	-8.8	-0.5	1.9	n/a	Note 5
ICE BofA High Yield Canadian Issuers (Hedged) Index	-12.8	-1.7	2.3	n/a	Note 6

* Broad-based index

The blended index is composed of 75% ICE BofA U.S. High Yield (Hedged) Index and 25% ICE BofA High Yield Canadian Issuers (Hedged) Index.

The FTSE Canada Universe Bond Index is a broad measure of Canadian bonds with terms to maturity of more than one year. It includes federal, provincial, municipal and corporate bonds rated "BBB" or higher.

The ICE BofA U.S. High Yield (Hedged) Index tracks the performance of non-investment grade U.S. dollar-denominated corporate bonds publicly issued in the U.S. market. Qualifying bonds must have a remaining term to maturity of at least one year, a fixed coupon schedule and a minimum outstanding amount of US\$100 million. The foreign currency exposure is hedged to the Canadian dollar.

The ICE BofA High Yield Canadian Issuers (Hedged) Index tracks the performance of non-investment grade debt publicly issued by Canadian corporations. Qualifying bonds must have a remaining term to maturity of at least one year, a fixed coupon schedule and a minimum outstanding amount of C\$100 million. The foreign currency exposure is hedged to the Canadian dollar.

- (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 blended index since inception for each applicable series is as follows: Quadrus Series 3.0%, H Series 3.2%, HW Series -4.5%, L Series 3.1%, N Series 3.0%, QF Series 1.5%, QFW Series -4.5%.
- (4) The return of the FTSE Canada Universe Bond Index since inception for each applicable series is as follows: Quadrus Series 3.9%, H Series 4.0%, HW Series 6.3%, L Series 4.0%, N Series 3.9%, QF Series 2.6%, QFW Series 6.3%.
- (5) The return of the ICE BofA U.S. High Yield (Hedged) Index since inception for each applicable series is as follows: Quadrus Series 3.0%, H Series 3.2%, HW Series -4.0%, L Series 3.2%, N Series 3.0%, QF Series 1.5%, QFW Series -4.0%.
- (6) The return of the ICE BofA High Yield Canadian Issuers (Hedged) Index since inception for each applicable series is as follows: Quadrus Series 2.9%, H Series 3.0%, HW Series -6.1%, L Series 3.0%, N Series 2.8%, QF Series 1.4%, QFW Series -6.1%.

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

Summary of Investment Portfolio of the Underlying Fund* at March 31, 2020

Portfolio Allocation	% of NAV
Bonds	94.8
<i>Bonds</i>	<i>94.2</i>
<i>Purchased options**</i>	<i>0.6</i>
<i>Short futures†</i>	<i>0.0</i>
Cash and short-term investments	6.5
Exchange-traded funds/notes	2.2
Equities	0.9
Other assets (liabilities)	(4.4)
Regional Allocation	% of NAV
United States	64.6
Canada	20.6
Cash and short-term investments	6.5
United Kingdom	2.6
Netherlands	2.1
France	1.5
Ireland	1.2
Luxembourg	1.2
Other	1.1
Israel	0.8
Zambia	0.6
Finland	0.5
Australia	0.4
Brazil	0.4
Mexico	0.3
Other assets (liabilities)	(4.4)
Sector Allocation	% of NAV
Term loans	16.2
Corporate bonds – Media	11.3
Corporate bonds – Energy	9.5
Corporate bonds – Healthcare	9.5
Corporate bonds – Telecommunications	7.1
Cash and short-term investments	6.5
Corporate bonds – Basic industry	6.5
Other	6.0
Corporate bonds – Capital goods	5.3
Corporate bonds – Consumer goods	5.3
Corporate bonds – Retail	5.2
Corporate bonds – Technology and electronics	4.4
Corporate bonds – Services	3.8
Corporate bonds – Utility	3.5
Exchange-traded funds/notes	2.2
Corporate bonds – Financial services	2.1
Other assets (liabilities)	(4.4)
Net Currency Exposure	% of NAV
Canadian dollar	80.7
U.S. dollar	19.3
Bonds by Credit Rating††	% of NAV
AA	0.2
A	0.3
BBB	9.8
BB	41.8
B	28.8
Less than B	9.9
Unrated	3.4

Top 25 Long Positions of the Underlying Fund

Issuer/Underlying Fund	% of NAV
Cash and short-term investments	6.5
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	1.4
Vidéotron Ltée 5.13% 04-15-2027 Callable 2022	1.4
Sprint Corp. 7.88% 09-15-2023	1.3
CCO Holdings LLC 5.38% 06-01-2029 Callable 2024	1.3
Lamb Weston Holdings Inc. 4.88% 11-01-2026 Callable 2021	1.2
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	1.2
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	1.1
HCA Healthcare Inc. 3.50% 09-01-2030 Callable 2030	1.1
New Red Finance Inc. 5.00% 10-15-2025 Callable 2020	1.1
eG Global Finance PLC 6.75% 02-07-2025 Callable 2021	0.9
Numericable-SFR 7.38% 05-01-2026 Callable 2021	0.9
Keyera Corp. F/R 06-13-2079 Callable 2029	0.8
DaVita Healthcare Partners Inc. 5.00% 05-01-2025 Callable 2020	0.8
Mackenzie Emerging Markets Local Currency Bond Index ETF	0.8
Panther BF Aggregator 2 LP 8.50% 05-15-2027 Callable 2022	0.8
Vidéotron Ltée 5.75% 01-15-2026 Callable 2020	0.7
TerraForm Power Operating LLC 5.00% 01-31-2028 Callable 2027	0.7
Rackspace Hosting Inc. 8.63% 11-15-2024 Callable 2020	0.7
Uber Technologies Inc. 8.00% 11-01-2026 Callable 2021	0.7
Hilton Domestic Operating Co. Inc. 4.88% 01-15-2030 Callable 2025	0.7
Iron Mountain Canada Operations ULC 5.38% 09-15-2023 Callable 2020	0.7
Quebecor Media Inc. 6.63% 01-15-2023	0.6
Tenet Healthcare Corp. 6.75% 06-15-2023	0.6
BWAY Holding Co. 7.25% 04-15-2025	0.6

**Top long positions as a percentage
of total net asset value** **28.6**

Top 25 Short Positions of the Underlying Fund

Issuer	% of NAV
Euro BTP Futures†	0.0

**Top short positions as a percentage
of total net asset value** **0.0**

* The Fund is currently fully invested in Mackenzie North American Corporate Bond Fund (the "Underlying Fund"). For the prospectus and other information about the Underlying Fund, visit www.mackenzieinvestments.com or www.sedar.com.

** Notional principal values represent 4.6% of NAV for purchased options.

† Notional principal values represent -1.2% of NAV for Euro BTP Futures.

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

The investments and percentages may have changed since March 31, 2020, due to the ongoing portfolio transactions of the Fund and the Underlying Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the funds' fiscal year-end, when they are available within 90 days.

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

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

Quadrus Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.10	9.35	9.61	8.89	10.05
Increase (decrease) from operations:					
Total revenue	0.53	0.58	0.60	0.57	0.71
Total expenses	(0.17)	(0.16)	(0.19)	(0.20)	(0.21)
Realized gains (losses) for the period	(0.03)	(0.08)	0.00	(0.10)	(0.19)
Unrealized gains (losses) for the period	(0.71)	(0.19)	(0.28)	0.82	(0.99)
Total increase (decrease) from operations²	(0.38)	0.15	0.13	1.09	(0.68)
Distributions:					
From net investment income (excluding dividends)	(0.10)	(0.40)	(0.40)	(0.37)	(0.51)
From dividends	(0.26)	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.36)	(0.40)	(0.40)	(0.37)	(0.51)
Net assets, end of period	8.33	9.10	9.35	9.61	8.89

H Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.03	9.29	9.55	8.86	10.04
Increase (decrease) from operations:					
Total revenue	0.53	0.58	0.59	0.56	0.70
Total expenses	(0.08)	(0.08)	(0.10)	(0.12)	(0.12)
Realized gains (losses) for the period	0.03	(0.07)	–	(0.01)	(0.18)
Unrealized gains (losses) for the period	(0.71)	(0.19)	(0.27)	0.82	(0.98)
Total increase (decrease) from operations²	(0.23)	0.24	0.22	1.25	(0.58)
Distributions:					
From net investment income (excluding dividends)	(0.13)	(0.49)	(0.48)	(0.47)	(0.62)
From dividends	(0.32)	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.45)	(0.49)	(0.48)	(0.47)	(0.62)
Net assets, end of period	8.26	9.03	9.29	9.55	8.86

HW Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.79	10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.57	0.40	n/a	n/a	n/a
Total expenses	(0.08)	(0.05)	n/a	n/a	n/a
Realized gains (losses) for the period	(0.20)	(0.10)	n/a	n/a	n/a
Unrealized gains (losses) for the period	(0.77)	(0.13)	n/a	n/a	n/a
Total increase (decrease) from operations²	(0.48)	0.12	n/a	n/a	n/a
Distributions:					
From net investment income (excluding dividends)	(0.14)	(0.35)	n/a	n/a	n/a
From dividends	(0.35)	–	n/a	n/a	n/a
From capital gains	–	–	n/a	n/a	n/a
Return of capital	–	–	n/a	n/a	n/a
Total annual distributions³	(0.49)	(0.35)	n/a	n/a	n/a
Net assets, end of period	8.97	9.79	n/a	n/a	n/a

L Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.16	9.40	9.66	8.94	10.10
Increase (decrease) from operations:					
Total revenue	0.53	0.59	0.60	0.57	0.69
Total expenses	(0.15)	(0.15)	(0.17)	(0.17)	(0.16)
Realized gains (losses) for the period	(0.09)	(0.06)	(0.01)	(0.11)	(0.16)
Unrealized gains (losses) for the period	(0.72)	(0.19)	(0.28)	0.83	(0.97)
Total increase (decrease) from operations²	(0.43)	0.19	0.14	1.12	(0.60)
Distributions:					
From net investment income (excluding dividends)	(0.11)	(0.42)	(0.42)	(0.40)	(0.54)
From dividends	(0.27)	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.38)	(0.42)	(0.42)	(0.40)	(0.54)
Net assets, end of period	8.40	9.16	9.40	9.66	8.94

- (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 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.

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

THE FUND'S NET ASSETS PER SECURITY (\$)¹ (cont'd)

N Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.16	9.41	9.66	8.95	10.14
Increase (decrease) from operations:					
Total revenue	0.53	0.58	0.60	0.57	0.70
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	(0.07)	(0.05)	(0.03)	(0.12)	(0.18)
Unrealized gains (losses) for the period	(0.72)	(0.19)	(0.28)	0.83	(0.99)
Total increase (decrease) from operations²	(0.26)	0.34	0.29	1.28	(0.47)
Distributions:					
From net investment income (excluding dividends)	(0.14)	(0.57)	(0.58)	(0.59)	(0.74)
From dividends	(0.39)	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.53)	(0.57)	(0.58)	(0.59)	(0.74)
Net assets, end of period	8.39	9.16	9.41	9.66	8.95

QF Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.82	10.08	10.30	10.00	n/a
Increase (decrease) from operations:					
Total revenue	0.57	0.62	0.61	0.44	n/a
Total expenses	(0.10)	(0.10)	(0.13)	(0.10)	n/a
Realized gains (losses) for the period	(0.13)	0.04	(0.25)	(0.47)	n/a
Unrealized gains (losses) for the period	(0.77)	(0.20)	(0.28)	0.63	n/a
Total increase (decrease) from operations²	(0.43)	0.36	(0.05)	0.50	n/a
Distributions:					
From net investment income (excluding dividends)	(0.13)	(0.51)	(0.45)	(0.29)	n/a
From dividends	(0.34)	–	–	–	n/a
From capital gains	–	–	–	–	n/a
Return of capital	–	–	–	–	n/a
Total annual distributions³	(0.47)	(0.51)	(0.45)	(0.29)	n/a
Net assets, end of period	8.98	9.82	10.08	10.30	n/a

QFW Series	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Net assets, beginning of period	9.79	10.00	n/a	n/a	n/a
Increase (decrease) from operations:					
Total revenue	0.57	0.39	n/a	n/a	n/a
Total expenses	(0.08)	(0.05)	n/a	n/a	n/a
Realized gains (losses) for the period	(1.92)	0.29	n/a	n/a	n/a
Unrealized gains (losses) for the period	(0.77)	(0.13)	n/a	n/a	n/a
Total increase (decrease) from operations²	(2.20)	0.50	n/a	n/a	n/a
Distributions:					
From net investment income (excluding dividends)	(0.14)	(0.35)	n/a	n/a	n/a
From dividends	(0.35)	–	n/a	n/a	n/a
From capital gains	–	–	n/a	n/a	n/a
Return of capital	–	–	n/a	n/a	n/a
Total annual distributions³	(0.49)	(0.35)	n/a	n/a	n/a
Net assets, end of period	8.97	9.79	n/a	n/a	n/a

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

RATIOS AND SUPPLEMENTAL DATA

	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
Quadrus Series					
Total net asset value (\$000) ¹	15,352	18,245	19,569	17,474	16,154
Securities outstanding (000) ¹	1,843	2,005	2,094	1,818	1,816
Management expense ratio (%) ²	1.87	1.86	2.06	2.11	2.20
Management expense ratio before waivers or absorptions (%) ²	1.87	1.86	2.06	2.11	2.20
Trading expense ratio (%) ³	0.02	0.02	0.01	0.01	0.00
Portfolio turnover rate (%) ⁴	12.44	8.86	6.55	16.05	17.87
Net asset value per security (\$)	8.33	9.10	9.35	9.61	8.89
H Series					
Total net asset value (\$000) ¹	332	359	852	770	1,191
Securities outstanding (000) ¹	40	40	92	81	134
Management expense ratio (%) ²	1.00	1.00	1.24	1.27	1.28
Management expense ratio before waivers or absorptions (%) ²	1.00	1.00	1.24	1.27	1.28
Trading expense ratio (%) ³	0.02	0.02	0.01	0.01	0.00
Portfolio turnover rate (%) ⁴	12.44	8.86	6.55	16.05	17.87
Net asset value per security (\$)	8.26	9.03	9.29	9.55	8.86
HW Series					
Total net asset value (\$000) ¹	346	378	n/a	n/a	n/a
Securities outstanding (000) ¹	39	39	n/a	n/a	n/a
Management expense ratio (%) ²	0.78	0.78	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.78	0.78	n/a	n/a	n/a
Trading expense ratio (%) ³	0.02	0.02	n/a	n/a	n/a
Portfolio turnover rate (%) ⁴	12.44	8.86	n/a	n/a	n/a
Net asset value per security (\$)	8.97	9.79	n/a	n/a	n/a
L Series					
Total net asset value (\$000) ¹	11,576	12,504	12,215	10,328	8,699
Securities outstanding (000) ¹	1,379	1,365	1,299	1,069	973
Management expense ratio (%) ²	1.64	1.64	1.79	1.80	1.78
Management expense ratio before waivers or absorptions (%) ²	1.64	1.64	1.79	1.80	1.78
Trading expense ratio (%) ³	0.02	0.02	0.01	0.01	0.00
Portfolio turnover rate (%) ⁴	12.44	8.86	6.55	16.05	17.87
Net asset value per security (\$)	8.40	9.16	9.41	9.66	8.94

	Mar. 31 2020	Mar. 31 2019	Mar. 31 2018	Mar. 31 2017	Mar. 31 2016
N Series					
Total net asset value (\$000) ¹	19,419	20,408	17,657	12,335	10,445
Securities outstanding (000) ¹	2,315	2,229	1,877	1,278	1,167
Management expense ratio (%) ²	-	-	-	-	-
Management expense ratio before waivers or absorptions (%) ²	-	-	-	-	-
Trading expense ratio (%) ³	0.02	0.02	0.01	0.01	0.00
Portfolio turnover rate (%) ⁴	12.44	8.86	6.55	16.05	17.87
Net asset value per security (\$)	8.39	9.16	9.41	9.66	8.95
QF Series					
Total net asset value (\$000) ¹	5,367	4,729	1,573	69	n/a
Securities outstanding (000) ¹	597	482	156	7	n/a
Management expense ratio (%) ²	1.08	1.08	1.33	1.36	n/a
Management expense ratio before waivers or absorptions (%) ²	1.08	1.08	1.33	1.36	n/a
Trading expense ratio (%) ³	0.02	0.02	0.01	0.01	n/a
Portfolio turnover rate (%) ⁴	12.44	8.86	6.55	16.05	n/a
Net asset value per security (\$)	8.98	9.82	10.08	10.30	n/a
QFW Series					
Total net asset value (\$000) ¹	914	143	n/a	n/a	n/a
Securities outstanding (000) ¹	102	15	n/a	n/a	n/a
Management expense ratio (%) ²	0.80	0.80	n/a	n/a	n/a
Management expense ratio before waivers or absorptions (%) ²	0.80	0.80	n/a	n/a	n/a
Trading expense ratio (%) ³	0.02	0.02	n/a	n/a	n/a
Portfolio turnover rate (%) ⁴	12.44	8.86	n/a	n/a	n/a
Net asset value per security (\$)	8.97	9.79	n/a	n/a	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) 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 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.

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund's management fees were used by Mackenzie to pay for the costs of 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 Mackenzie, is the principal distributor for the Fund and is paid trailing commissions out of the management fees. The Canada Life Assurance Company, which is also an affiliate of Mackenzie, provides certain services to Mackenzie in connection with Mackenzie's portfolio management activities. The Canada Life Assurance Company is responsible for paying certain administrative costs and all sales commissions, trailing commissions and any other compensation (collectively, "distribution-related payments") to registered dealers whose clients invest in the Fund. As such, Quadrus and The Canada Life Assurance Company receive a portion of the management fees that the Fund pays to Mackenzie. Approximately 78% of the total management fees that Mackenzie received from the Quadrus Group of Funds during the year was paid under these arrangements.

Mackenzie used approximately 43% of the total management fee revenues received from all Mackenzie funds during the year to fund distribution-related payments to registered dealers and brokers. In comparison, such distribution-related payments for the Fund represented on average 28% of the management fees paid by all applicable series of the Fund during the year. The actual percentage for each series may be higher or lower than the average depending on the level of trailing commissions and sales commissions paid for that series.

NORTH AMERICAN HIGH YIELD BOND FUND

(To be renamed Canada Life North American High Yield Bond Fund on August 17, 2020)

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE | For the Year Ended March 31, 2020

HIGH YIELD FIXED INCOME FUND

Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation June 28, 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 *Financial Highlights*.

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

Quadrus Investment Services Ltd. ("Quadrus") is the principal distributor of the series of securities listed below:

Quadrus Series securities are offered to investors investing a minimum of \$500.

H Series securities are offered to investors investing a minimum of \$500, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

HW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000, who are enrolled in a Quadrus-sponsored fee-for-service or wrap program and who are subject to an asset-based fee.

L Series securities are offered to investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000.

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 type series account agreement with Mackenzie and Quadrus.

QF Series securities are offered to retail investors investing a minimum of \$500. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

QFW Series securities are offered to high net worth investors investing a minimum of \$100,000 and who have eligible minimum total holdings of \$500,000. Investors are required to negotiate their advisor service fee, which cannot exceed 1.25%, with their financial advisor.

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, a redemption charge purchase option, a low-load purchase option and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. The charges under the redemption charge and low-load purchase options are paid to Mackenzie if an investor redeems securities of the Fund during specific periods. 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	Net Asset Value per Security (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Quadrus Series ⁽²⁾	July 12, 2013	1.45%	0.20%	8.33	9.10
H Series	July 5, 2013	0.75%	0.15%	8.26	9.03
HW Series	August 7, 2018	0.55%	0.15%	8.97	9.79
L Series	July 10, 2013	1.30%	0.15%	8.40	9.16
N Series	July 16, 2013	— ⁽¹⁾	— ⁽¹⁾	8.39	9.16
QF Series	July 12, 2016	0.75%	0.20%	8.98	9.82
QFW Series	August 7, 2018	0.55%	0.15%	8.97	9.79

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

(2) On August 17, 2020, Quadrus Series will be renamed Q Series.