

## **Interim Management Report of Fund Performance**

*For the Six-Month Period Ended September 30, 2020*

*This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You may obtain a copy of the interim financial report or 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](http://www.sedar.com).*

*Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Fund's Simplified Prospectus, Annual Information Form and Fund Facts, which may also be obtained, at no cost, using any of the methods outlined above.*

*For the Fund's current net asset values per security and for more recent information on general market events, please visit our website.*

### **A NOTE ON FORWARD-LOOKING STATEMENTS**

*This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of 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 PATHWAYS CORE BOND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2020

CANADIAN FIXED INCOME FUND

## Management Discussion of Fund Performance

November 10, 2020

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments during the period ended September 30, 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.

### Results of Operations

#### Investment Performance

During the period, the Fund's I Series securities returned 6.7% (after deducting fees and expenses paid by the series). This compares with the FTSE Canada Universe Bond Index return of 6.3%. 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.

The Canadian bond market advanced over the period, particularly in the first three months. Yields fell as the Bank of Canada provided support programs to reduce credit market volatility and kept its policy rate near zero, with yields on 10-year Government of Canada bonds reaching record lows. Corporate bonds outperformed government bonds, while high-yield bonds outperformed investment grade corporate bonds. As long-term yields declined more than short-term yields for most of the period, flattening the yield curve, long-term bonds significantly outperformed short-term bonds.

The Fund outperformed the index, with its overweight position in corporate bonds contributing to performance as credit spreads (the difference in yield between corporate and government bonds of similar maturity) narrowed for most of the period.

Conversely, security selection in corporate bonds detracted from performance, more than offsetting the positive impact of the overweight exposure. The Fund's cash position also detracted as fixed income markets rose.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the Fund.

### Net Assets

The Fund's NAV increased by 39.9% to \$21.6 million at September 30, 2020, from \$15.5 million at March 31, 2020. This change was composed primarily of \$1.1 million in net income (including interest income) from investment performance, after deducting fees and expenses, and \$5.1 million in net sales.

### Fees and Expenses

The annualized management expense ratio ("MER") for I Series of 0.00% during the period ended September 30, 2020, was unchanged from the MER for the year ended March 31, 2020. Other than certain specific fund costs, the management fee and administration fee were paid directly to Mackenzie by investors in this series.

### Recent Developments

The duration and long-term impact of the novel coronavirus (COVID-19) pandemic on businesses and markets, and the extent of additional economic relief measures which may be offered by some governments and central banks, are unknown at the reporting date. This uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

Over the near term, the portfolio management team believes fixed income markets will continue to exhibit the uncertainty and volatility that existed for much of 2020. The team will continue to monitor significant developments such as the impact of the U.S. presidential election and the progression of the COVID-19 pandemic for their potential effect on the economy. In light of the uncertainty created by these events, the team anticipates multiple periods of investor risk aversion alternating with periods in which investors show a preference for risk. The Fund's duration was slightly shorter than that of the index for much of the period.

Effective on or about January 1, 2021, the Fund's manager and trustee will change to Canada Life Investment Management Ltd. ("CLIML"), an affiliate of Mackenzie. This change received a positive recommendation from the Mackenzie Funds' Independent Review Committee and is subject to regulatory approval for CLIML to be registered as an investment fund manager.

Concurrent with this change, Mackenzie will replace GLC Asset Management Group Ltd. as sub-advisor to the Fund.

### Related Party Transactions

The Fund did not rely on an approval, positive recommendation or standing instruction from the Mackenzie Funds' Independent Review Committee with respect to a related party transaction because it did not engage in any related party transactions.

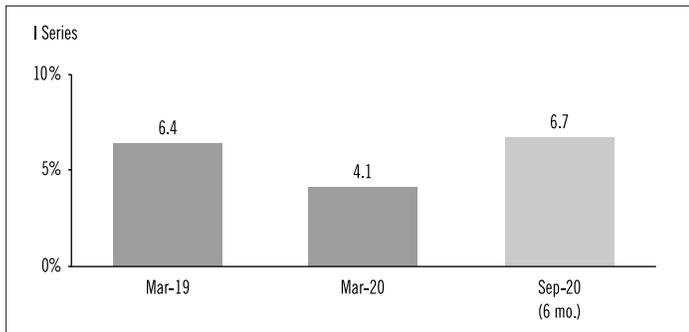
# CANADA LIFE PATHWAYS CORE BOND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2020

CANADIAN FIXED INCOME FUND

## Past Performance

The following bar chart presents the performance of I Series of the Fund for each of the fiscal periods shown. The chart shows, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.



# CANADA LIFE PATHWAYS CORE BOND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2020

CANADIAN FIXED INCOME FUND

## Summary of Investment Portfolio at September 30, 2020

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Bonds	95.9
Cash and short-term investments	5.0
Other assets (liabilities)	(0.9)

<b>Regional Allocation</b>	<b>% of NAV</b>
Canada	95.9
Cash and short-term investments	5.0
Other assets (liabilities)	(0.9)

<b>Sector Allocation</b>	<b>% of NAV</b>
Provincial bonds	35.6
Corporate bonds	35.5
Federal bonds	24.8
Cash and short-term investments	5.0
Other assets (liabilities)	(0.9)

<b>Bonds by Credit Rating*</b>	<b>% of NAV</b>
AAA	29.7
AA	12.5
A	36.6
BBB	10.1
Unrated	7.0

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

## Top 25 Positions

<b>Issuer</b>	<b>% of NAV</b>
Cash and short-term investments	5.0
Government of Canada 2.25% 06-01-2025	4.2
Government of Canada 2.00% 09-01-2023	3.6
Government of Canada 2.00% 06-01-2028	3.1
Province of Quebec 3.50% 12-01-2048	3.0
Province of Ontario 1.75% 09-08-2025	2.5
Province of Ontario 2.65% 12-02-2050	2.5
Canada Housing Trust 2.90% 06-15-2024	2.2
Government of Canada 2.75% 06-01-2022	2.1
Government of Canada 2.00% 12-01-2051	2.0
Province of Ontario 2.90% 06-02-2049	2.0
Province of British Columbia 2.95% 06-18-2050	2.0
Province of Quebec 1.90% 09-01-2030	2.0
Government of Canada 2.25% 03-01-2024	1.7
Province of Ontario 2.05% 06-02-2030	1.6
Province of Ontario 4.70% 06-02-2037	1.6
Government of Canada 2.50% 06-01-2024	1.4
Bank of Montreal 2.85% 03-06-2024	1.2
Royal Bank of Canada 3.30% 09-26-2023	1.1
The Toronto-Dominion Bank 1.68% 06-08-2021	1.1
The Toronto-Dominion Bank 2.85% 03-08-2024	1.1
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	1.1
Province of Alberta 2.05% 06-01-2030	1.1
Province of New Brunswick 1.80% 08-14-2025	1.1
Province of Alberta 3.05% 12-01-2048	1.1

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

**51.4**

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

*The investments and percentages may have changed since September 30, 2020, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days.*

# CANADA LIFE PATHWAYS CORE BOND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2020

CANADIAN 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 (\$)<sup>1</sup>

I Series	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
<b>Net assets, beginning of period</b>	<b>10.64</b>	10.48	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.14	0.29	0.13
Total expenses	–	–	–
Realized gains (losses) for the period	0.01	0.08	0.04
Unrealized gains (losses) for the period	0.51	(0.08)	0.50
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.66</b>	0.29	0.67
<b>Distributions:</b>			
From net investment income (excluding dividends)	(0.13)	(0.27)	(0.12)
From dividends	–	–	–
From capital gains	–	–	(0.03)
Return of capital	–	–	–
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	(0.27)	(0.15)
<b>Net assets, end of period</b>	<b>11.21</b>	10.64	10.48

(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 unaudited interim financial statements and 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.

## RATIOS AND SUPPLEMENTAL DATA

I Series	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) <sup>1</sup>	21,618	15,455	3,330
Securities outstanding (000) <sup>1</sup>	1,928	1,452	318
Management expense ratio (%) <sup>2</sup>	–	–	0.01
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	–	–	0.01
Trading expense ratio (%) <sup>3</sup>	0.00	0.01	0.08
Portfolio turnover rate (%) <sup>4</sup>	4.50	35.79	n/a
Net asset value per security (\$)	11.21	10.64	10.48

(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.

## Management Fees

The management fee for each series is calculated and accrued daily as a percentage of its NAV and payable quarterly to Mackenzie directly by investors and not by the Fund. These management fees were used by Mackenzie in part to pay GLC Asset Management Group Ltd., an affiliate of Mackenzie, for investment advisory services, including managing the investment portfolio of the Fund and/or the underlying fund(s), as applicable, including providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio.

Quadrus Investment Services Ltd. ("Quadrus"), an affiliate of Mackenzie, is the principal distributor for the Fund. 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 and pays certain administrative costs. As such, Quadrus and The Canada Life Assurance Company receive a portion of the management fees that investors in the Fund pay directly to Mackenzie. Approximately 78% of the total management fees that Mackenzie received from the Canada Life Mutual Funds during the period was paid under these arrangements.

# CANADA LIFE PATHWAYS CORE BOND FUND

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE | For the Period Ended September 30, 2020

CANADIAN 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 October 12, 2018

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in *Financial Highlights*.

**Series Distributed by Quadrus Investment Services Ltd.** (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; [www.canadalife.com](http://www.canadalife.com))

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

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

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

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

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2020	Mar. 31, 2020
I Series	October 22, 2018	— <sup>(1)</sup>	— <sup>(1)</sup>	11.21	10.64
Series S	None issued	— <sup>(2)</sup>	0.02%	—	—

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

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