

## **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 US EQUITY FUND

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## 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

The performance of the Fund's I Series securities is discussed below. The performance of all series is shown in the *Past Performance* section of the report. Where series returns differ, it is primarily because different levels of fees and expenses were charged to each series, or because securities of a series were not issued and outstanding for the entire reporting period. Please refer to the *Fund Formation and Series Information* section of this report for the varying management and administration fees payable by each series.

During the period, the Fund's I Series securities returned 15.5% (after deducting fees and expenses paid by the series). This compares with the S&P 500 Index return of 24.0%. 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.

U.S. equity markets recovered to an all-time high in the period as improved economic activity and slowing COVID-19 infection rates in some regions globally prompted expectations of a recovery. Equity valuations were supported by record-low bond yields. The U.S. Federal Reserve kept the federal funds rate near zero and announced that monetary policy will remain more accommodative than usual until inflation rises. The U.S. dollar depreciated relative to the Canadian dollar, reducing returns in Canadian dollar terms.

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

The Fund underperformed the index, with an underweight position in the information technology sector, and stock selection and an overweight position in financials, detracting from performance. The Fund's cash position also detracted as equity markets rose.

Conversely, stock selection in the materials and consumer staples sectors contributed to performance.

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

### Net Assets

The Fund's NAV increased by 33.6% to \$8.0 million at September 30, 2020, from \$6.0 million at March 31, 2020. This change was composed primarily of \$1.0 million in net income (including dividend and interest income) from investment performance, after deducting fees and expenses, and \$1.0 million in net sales.

See *Other Related Party Transactions* for the percentage of the Fund's NAV owned by related parties. As a result of these investments, the Fund is subject to large transaction risk as discussed in the Prospectus. Mackenzie manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions. At September 30, 2020, Mackenzie had received no such notices.

### Fees and Expenses

The annualized management expense ratio ("MER") for I Series of 0.00% during the period ended September 30, 2020, was slightly lower than the MER of 0.02% 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.

The rally in cyclical stocks, which are more sensitive to economic cycles, that occurred in the second half of the period stalled in late September as investors tried to determine when, or whether, economic conditions would normalize. The portfolio management team expects the rest of 2020 and early 2021 to bring further uncertainty, which, in turn, is likely to result in market volatility. Among the issues contributing to this uncertainty are rising numbers of COVID-19 cases, the timing of a COVID-19 vaccine, the impact of the U.S. election and debate around U.S. stimulus.

The team continues to focus on fundamentals and longer-term trends. As such, the team is working to determine which changes are temporary and which may be permanent in order to take advantage of mispriced assets across sectors. At the end of the period, the Fund maintained a mix of cyclical and defensive holdings.

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.

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## 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

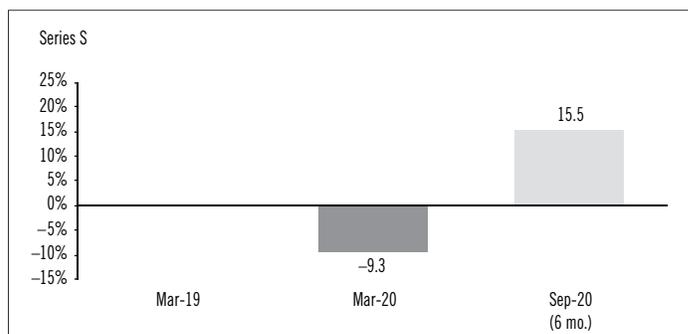
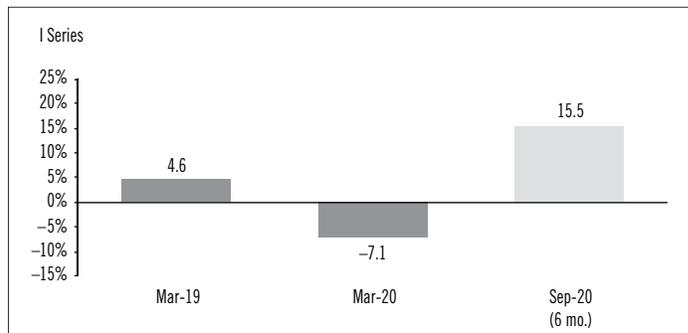
Segregated funds managed by The Canada Life Assurance Company, an affiliate of Mackenzie, invest in the Fund on a prospectus-exempt basis. At September 30, 2020, segregated funds managed by The Canada Life Assurance Company owned 41.3% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day.

At September 30, 2020, The Canada Life Assurance Company had an investment of \$2.2 million in the Fund (28.1% of the Fund's NAV). If The Canada Life Assurance Company decides to redeem its investment, it will do so in a manner that reduces the possibility of adverse effects on the Fund.

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

## Past Performance

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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## Summary of Investment Portfolio at September 30, 2020

<b>Portfolio Allocation</b>	<b>% of NAV</b>
Equities	91.2
Exchange-traded funds/notes	4.4
Cash and short-term investments	2.9
Other assets (liabilities)	1.5

<b>Regional Allocation</b>	<b>% of NAV</b>
United States	91.0
Cash and short-term investments	2.9
United Kingdom	1.7
Other assets (liabilities)	1.5
France	1.3
Ireland	1.1
Netherlands	0.5

<b>Sector Allocation</b>	<b>% of NAV</b>
Health care	15.6
Financials	15.6
Industrials	10.7
Consumer staples	9.4
Information technology	9.1
Consumer discretionary	6.4
Materials	6.4
Communication services	6.2
Utilities	4.7
Exchange-traded funds/notes	4.4
Energy	3.7
Real estate	3.4
Cash and short-term investments	2.9
Other assets (liabilities)	1.5

<b>Net Currency Exposure</b>	<b>% of NAV</b>
U.S. dollar	99.7
Canadian dollar	1.6
Other	(1.3)

## Top 25 Positions

<b>Issuer/Underlying Fund</b>	<b>% of NAV</b>
iShares Russell 1000 Value ETF	4.4
Microsoft Corp.	3.2
Wal-Mart Stores Inc.	3.2
Cash and short-term investments	2.9
Bank of America Corp.	2.7
JPMorgan Chase & Co.	2.6
Citigroup Inc.	2.3
Johnson & Johnson	2.2
Fidelity National Information Services Inc.	2.0
Charter Communications Inc.	1.9
Northrop Grumman Corp.	1.9
The Procter & Gamble Co.	1.8
American Tower Corp.	1.8
BJ's Wholesale Club Holdings Inc.	1.7
Amgen Inc.	1.6
Danaher Corp.	1.6
Union Pacific Corp.	1.6
Qualcomm Inc.	1.6
Merck & Co. Inc.	1.6
Eli Lilly and Co.	1.5
Comcast Corp.	1.5
Cigna Corp.	1.5
United Rentals Inc.	1.5
AbbVie Inc.	1.4
American Electric Power Co. Inc.	1.4

<b>Top long positions as a percentage of total net asset value</b>	<b>51.4</b>
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*The Fund held no short positions at the end of the period.*

*For the prospectus and other information about the underlying fund(s) held in the portfolio, visit [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com) or [www.sedar.com](http://www.sedar.com).*

*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 US EQUITY FUND

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## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

### THE FUND'S NET ASSETS PER SECURITY (\$)<sup>1</sup>

I Series	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
<b>Net assets, beginning of period</b>	<b>9.41</b>	10.39	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.12	0.31	0.10
Total expenses	–	(0.03)	(0.02)
Realized gains (losses) for the period	0.05	0.89	(0.01)
Unrealized gains (losses) for the period	1.27	(2.29)	0.42
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>1.44</b>	(1.12)	0.49
<b>Distributions:</b>			
From net investment income (excluding dividends)	(0.11)	(0.26)	(0.07)
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	–	–	–
<b>Total annual distributions<sup>3</sup></b>	<b>(0.11)</b>	(0.26)	(0.07)
<b>Net assets, end of period</b>	<b>10.75</b>	9.41	10.39

Series S	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
<b>Net assets, beginning of period</b>	<b>8.85</b>	10.00	n/a
<b>Increase (decrease) from operations:</b>			
Total revenue	0.11	0.19	n/a
Total expenses	(0.01)	(0.02)	n/a
Realized gains (losses) for the period	(0.08)	(4.11)	n/a
Unrealized gains (losses) for the period	1.19	(1.37)	n/a
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>1.21</b>	(5.31)	n/a
<b>Distributions:</b>			
From net investment income (excluding dividends)	(0.11)	(0.24)	n/a
From dividends	–	–	n/a
From capital gains	–	–	n/a
Return of capital	–	–	n/a
<b>Total annual distributions<sup>3</sup></b>	<b>(0.11)</b>	(0.24)	n/a
<b>Net assets, end of period</b>	<b>10.11</b>	8.85	n/a

- (1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's 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.

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## RATIOS AND SUPPLEMENTAL DATA

I Series	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) <sup>1</sup>	4,697	3,889	2,411
Securities outstanding (000) <sup>1</sup>	437	413	232
Management expense ratio (%) <sup>2</sup>	–	0.02	0.01
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	–	0.02	0.01
Trading expense ratio (%) <sup>3</sup>	0.06	0.28	0.40
Portfolio turnover rate (%) <sup>4</sup>	19.09	90.11	n/a
Net asset value per security (\$)	10.75	9.41	10.39

Series S	Sep. 30 2020	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) <sup>1</sup>	3,298	2,096	n/a
Securities outstanding (000) <sup>1</sup>	326	237	n/a
Management expense ratio (%) <sup>2</sup>	0.04	0.04	n/a
Management expense ratio before waivers or absorptions (%) <sup>2</sup>	0.04	0.04	n/a
Trading expense ratio (%) <sup>3</sup>	0.06	0.28	n/a
Portfolio turnover rate (%) <sup>4</sup>	19.09	90.11	n/a
Net asset value per security (\$)	10.11	8.85	n/a

- (1) This information is provided as at the end of the fiscal period shown.
- (2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) 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 Putnam Advisory Company LLC, 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.

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## Fund Formation and Series Information

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

Date of Formation October 12, 2018

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

**Series Distributed by Quadrus Investment Services Ltd.** (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; [www.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>	10.75	9.41
Series S	May 21, 2019	— <sup>(2)</sup>	0.03%	10.11	8.85

(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.