

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

CANADIAN INCOME FUND

Interim Unaudited Financial Statements

For the Six-Month Period Ended September 30, 2020

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 contacting us using one of the methods noted under Fund Formation and Series Information or by visiting the SEDAR website at 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

Mackenzie Financial Corporation, 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 INCOME FUND (PORTICO)

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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN INCOME FUND

STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)
As at

	Sep. 30 2020	Mar. 31 2020 (Audited)
	\$	\$
ASSETS		
Current assets		
Investments at fair value	210,234	212,536
Cash and cash equivalents	11,673	6,735
Accrued interest receivable	1,158	1,213
Dividends receivable	259	311
Accounts receivable for investments sold	—	2,507
Accounts receivable for securities issued	8	20
Due from manager	—	1
Total assets	223,332	223,323
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	128	111
Accounts payable for securities redeemed	311	624
Due to manager	9	9
Total liabilities	448	744
Net assets attributable to securityholders	222,884	222,579
Net assets attributable to securityholders per series (note 3)		
Q Series	132,542	134,037
H Series	13,650	10,764
H5 Series	244	207
HW Series	1,094	1,099
HW5 Series	1	1
L Series	33,507	33,835
L5 Series	9,310	8,647
N Series	18,413	20,654
N5 Series	2,226	2,133
D5 Series	3,180	2,974
QF Series	4,545	4,261
QF5 Series	420	398
QFW Series	971	979
QFW5 Series	1	1
Series S	2,780	2,589

Net assets attributable to securityholders per security (note 3)

	Sep. 30 2020	Mar. 31 2020 (Audited)
	\$	\$
Q Series	16.06	15.20
H Series	14.67	13.89
H5 Series	12.56	12.07
HW Series	10.10	9.56
HW5 Series	14.26	13.67
L Series	11.48	10.87
L5 Series	12.34	11.88
N Series	11.28	10.67
N5 Series	13.33	12.73
D5 Series	11.44	11.02
QF Series	10.15	9.61
QF5 Series	13.20	12.68
QFW Series	10.09	9.55
QFW5 Series	14.26	13.67
Series S	12.77	12.09

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

CANADA LIFE INCOME FUND (PORTICO)

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CANADIAN INCOME FUND

STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended September 30 (note 1)
In thousands (except per security figures)

	2020	2019		2020	2019
	\$	\$		\$	\$
Income			Increase (decrease) in net assets attributable to securityholders from operations per security		
Dividends	1,341	1,568	Q Series	1.00	0.54
Interest income	2,249	2,682	H Series	0.88	0.54
Other changes in fair value of investments and other net assets			H5 Series	0.81	0.48
Net realized gain (loss)	(977)	2,857	HW Series	0.66	0.40
Net unrealized gain (loss)	13,433	3,538	HW5 Series	0.95	0.58
Securities lending income	13	18	L Series	0.72	0.40
Total income (loss)	16,059	10,663	L5 Series	0.77	0.45
			N Series	0.82	0.49
Expenses (note 6)			N5 Series	0.92	0.59
Management fees	1,522	1,716	D5 Series	0.71	0.41
Management fee rebates	(34)	(35)	QF Series	0.64	0.37
Administration fees	217	244	QF5 Series	0.85	0.52
Commissions and other portfolio transaction costs	15	13	QFW Series	0.59	0.40
Independent Review Committee fees	–	–	QFW5 Series	0.95	0.58
Other	–	1	Series S	0.89	0.55
Expenses before amounts absorbed by Manager	1,720	1,939			
Expenses absorbed by Manager	–	–			
Net expenses	1,720	1,939			
Increase (decrease) in net assets attributable to securityholders from operations before tax	14,339	8,724			
Foreign withholding taxes	–	–			
Foreign income taxes paid (recovered)	–	–			
Increase (decrease) in net assets attributable to securityholders from operations	14,339	8,724			
Increase (decrease) in net assets attributable to securityholders from operations per series					
Q Series	8,415	5,037			
H Series	780	445			
H5 Series	14	9			
HW Series	69	62			
HW5 Series	–	–			
L Series	2,156	1,283			
L5 Series	574	407			
N Series	1,419	945			
N5 Series	171	102			
D5 Series	193	120			
QF Series	280	170			
QF5 Series	28	14			
QFW Series	49	10			
QFW5 Series	–	–			
Series S	191	120			

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CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN INCOME FUND

STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended September 30 (note 1)
In thousands

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Q Series		H Series		H5 Series		HW Series		HW5 Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	134,037	154,850	10,764	11,851	207	228	1,099	1,175	1	1
Increase (decrease) in net assets from operations	8,415	5,037	780	445	14	9	69	62	–	–
Distributions paid to securityholders:										
Investment income	(995)	(595)	(144)	(187)	(2)	(2)	(12)	(32)	–	–
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	–	–	(3)	(4)	–	–	–	–
Management fee rebates	(27)	(29)	(5)	(4)	–	–	–	–	–	–
Total distributions paid to securityholders	(1,022)	(624)	(149)	(191)	(5)	(6)	(12)	(32)	–	–
Security transactions:										
Proceeds from securities issued	6,842	10,018	3,240	1,029	52	11	155	833	–	–
Reinvested distributions	1,019	621	149	191	3	4	12	32	–	–
Payments on redemption of securities	(16,749)	(19,179)	(1,134)	(1,219)	(27)	(25)	(229)	(112)	–	–
Total security transactions	(8,888)	(8,540)	2,255	1	28	(10)	(62)	753	–	–
Total increase (decrease) in net assets	(1,495)	(4,127)	2,886	255	37	(7)	(5)	783	–	–
End of period	132,542	150,723	13,650	12,106	244	221	1,094	1,958	1	1

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	8,817	9,745	775	809	17	17	115	116	–	–
Issued	428	621	224	70	4	2	15	82	–	–
Reinvested distributions	63	38	10	13	–	–	1	3	–	–
Redeemed	(1,054)	(1,190)	(78)	(82)	(2)	(2)	(23)	(11)	–	–
Securities outstanding – end of period	8,254	9,214	931	810	19	17	108	190	–	–

	L Series		L5 Series		N Series		N5 Series		D5 Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	33,835	38,146	8,647	12,107	20,654	22,955	2,133	2,616	2,974	3,649
Increase (decrease) in net assets from operations	2,156	1,283	574	407	1,419	945	171	102	193	120
Distributions paid to securityholders:										
Investment income	(292)	(285)	(80)	(92)	(311)	(866)	(21)	(19)	(25)	(14)
Capital gains	–	–	–	–	–	–	–	–	–	–
Return of capital	–	–	(159)	(189)	–	–	(41)	(38)	(54)	(71)
Management fee rebates	–	–	–	–	–	–	–	–	(1)	(1)
Total distributions paid to securityholders	(292)	(285)	(239)	(281)	(311)	(866)	(62)	(57)	(80)	(86)
Security transactions:										
Proceeds from securities issued	1,802	2,940	605	61	1,079	2,879	275	184	304	142
Reinvested distributions	289	283	79	98	311	864	39	34	52	48
Payments on redemption of securities	(4,283)	(5,090)	(356)	(763)	(4,739)	(4,517)	(330)	(428)	(263)	(429)
Total security transactions	(2,192)	(1,867)	328	(604)	(3,349)	(774)	(16)	(210)	93	(239)
Total increase (decrease) in net assets	(328)	(869)	663	(478)	(2,241)	(695)	93	(165)	206	(205)
End of period	33,507	37,277	9,310	11,629	18,413	22,260	2,226	2,451	3,180	3,444

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	3,114	3,352	728	938	1,936	2,005	168	191	270	304
Issued	157	254	50	4	96	250	21	13	26	12
Reinvested distributions	25	24	6	8	28	76	3	2	5	4
Redeemed	(378)	(442)	(29)	(59)	(427)	(393)	(25)	(31)	(23)	(36)
Securities outstanding – end of period	2,918	3,188	755	891	1,633	1,938	167	175	278	284

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



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STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

For the periods ended September 30 (note 1)
In thousands

	2020	2019	2020	2019	2020	2019
	QF Series		QF5 Series		QFW Series	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	4,261	4,181	398	356	979	217
Increase (decrease) in net assets from operations	280	170	28	14	49	10
Distributions paid to securityholders:						
Investment income	(46)	(69)	(4)	(3)	(10)	(5)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	(7)	(6)	–	–
Management fee rebates	(1)	(1)	–	–	–	–
Total distributions paid to securityholders	(47)	(70)	(11)	(9)	(10)	(5)
Security transactions:						
Proceeds from securities issued	626	1,477	–	62	223	188
Reinvested distributions	47	70	9	8	10	5
Payments on redemption of securities	(622)	(812)	(4)	(46)	(280)	(100)
Total security transactions	51	735	5	24	(47)	93
Total increase (decrease) in net assets	284	835	22	29	(8)	98
End of period	4,545	5,016	420	385	971	315

Increase (decrease) in fund securities (note 7):	Securities		Securities		Securities	
Securities outstanding – beginning of period	444	413	31	26	103	22
Issued	61	144	–	4	21	18
Reinvested distributions	5	7	1	1	1	1
Redeemed	(62)	(79)	–	(3)	(29)	(10)
Securities outstanding – end of period	448	485	32	28	96	31

	QFW5 Series		Series S		Total	
	\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS						
Beginning of period	1	1	2,589	2,805	222,579	255,138
Increase (decrease) in net assets from operations	–	–	191	120	14,339	8,724
Distributions paid to securityholders:						
Investment income	–	–	(45)	(109)	(1,987)	(2,278)
Capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	(264)	(308)
Management fee rebates	–	–	–	–	(34)	(35)
Total distributions paid to securityholders	–	–	(45)	(109)	(2,285)	(2,621)
Security transactions:						
Proceeds from securities issued	–	–	–	–	15,203	19,824
Reinvested distributions	–	–	45	109	2,064	2,367
Payments on redemption of securities	–	–	–	(112)	(29,016)	(32,832)
Total security transactions	–	–	45	(3)	(11,749)	(10,641)
Total increase (decrease) in net assets	–	–	191	8	305	(4,538)
End of period	1	1	2,780	2,813	222,884	250,600

Increase (decrease) in fund securities (note 7):	Securities		Securities	
Securities outstanding – beginning of period	–	–	214	216
Issued	–	–	1	–
Reinvested distributions	–	–	3	8
Redeemed	–	–	–	(8)
Securities outstanding – end of period	–	–	218	216

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STATEMENTS OF CASH FLOWS

For the periods ended September 30 (note 1)
In thousands

	2020	2019
	\$	\$
Cash flows from operating activities		
Net increase (decrease) in net assets attributable to securityholders from operations	14,339	8,724
Adjustments for:		
Net realized loss (gain) on investments	977	(2,855)
Change in net unrealized loss (gain) on investments	(13,433)	(3,538)
Purchase of investments	(30,983)	(22,863)
Proceeds from sale and maturity of investments	48,266	32,797
Change in accrued interest receivable	55	(27)
Change in dividends receivable	52	(53)
Change in due from manager	1	1
Net cash from operating activities	19,274	12,186
Cash flows from financing activities		
Proceeds from securities issued	14,846	19,039
Payments on redemption of securities	(28,960)	(32,098)
Distributions paid net of reinvestments	(221)	(254)
Net cash from financing activities	(14,335)	(13,313)
Net increase (decrease) in cash and cash equivalents	4,939	(1,127)
Cash and cash equivalents at beginning of period	6,735	7,957
Effect of exchange rate fluctuations on cash and cash equivalents	(1)	(11)
Cash and cash equivalents at end of period	11,673	6,819
Cash	11,673	319
Cash equivalents	–	6,500
Cash and cash equivalents at end of period	11,673	6,819
Supplementary disclosures on cash flow from operating activities:		
Dividends received	1,393	1,515
Foreign taxes paid	–	–
Interest received	2,304	2,655
Interest paid	–	–

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INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

CANADIAN INCOME FUND

SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS					
407 International Inc. 2.43% 05-04-2027 Callable MTN	Canada	Corporate - Non Convertible	488,000	488	522
407 International Inc. 6.47% 07-27-2029 Callable	Canada	Corporate - Non Convertible	441,000	610	608
407 International Inc. 4.19% 04-25-2042 Callable	Canada	Corporate - Non Convertible	895,000	901	1,114
The 55 School Board Trust 5.90% 06-02-2033	Canada	Provincial Governments	697,000	750	1,019
Aéroports de Montréal 3.36% 04-24-2047 Callable 2046	Canada	Corporate - Non Convertible	675,000	675	740
Aéroports de Montréal 3.03% 04-21-2050 Callable 2049	Canada	Corporate - Non Convertible	188,000	188	195
Alliance Pipeline LP 5.546% 12-31-2023 Callable	Canada	Corporate - Non Convertible	4,633	5	5
Alliance Pipeline LP 6.77% 12-31-2025 Callable	Canada	Corporate - Non Convertible	24,954	26	29
AltaLink LP 3.67% 11-06-2023	Canada	Corporate - Non Convertible	575,000	595	627
AltaLink LP 3.99% 06-30-2042 Callable	Canada	Corporate - Non Convertible	835,000	872	1,032
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	750,000	762	796
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	828,000	849	870
Bank of Montreal 2.70% 12-09-2026	Canada	Corporate - Non Convertible	2,069,000	2,096	2,269
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	1,050,000	1,050	1,088
The Bank of Nova Scotia 2.29% 06-28-2024	Canada	Corporate - Non Convertible	1,169,000	1,158	1,232
The Bank of Nova Scotia 3.10% 02-02-2028	Canada	Corporate - Non Convertible	1,717,000	1,742	1,938
bcIMC Realty Corp. 2.15% 08-11-2022 Callable 2022	Canada	Corporate - Non Convertible	1,000,000	1,000	1,025
Bell Canada Inc. 2.70% 02-27-2024 Callable 2023	Canada	Corporate - Non Convertible	800,000	798	841
Bell Canada Inc. 3.60% 09-29-2027 Callable 2027	Canada	Corporate - Non Convertible	1,241,000	1,258	1,392
Canada Housing Trust 1.50% 12-15-2021	Canada	Federal Government	2,860,000	2,797	2,903
Canada Housing Trust 2.35% 06-15-2023	Canada	Federal Government	4,930,000	4,961	5,193
Canada Housing Trust 2.90% 06-15-2024	Canada	Federal Government	1,750,000	1,853	1,906
Canada Housing Trust 1.80% 12-15-2024	Canada	Federal Government	1,550,000	1,546	1,633
Canada Housing Trust 1.75% 06-15-2030	Canada	Federal Government	875,000	874	941
Canadian Imperial Bank of Commerce 2.04% 03-21-2022	Canada	Corporate - Non Convertible	1,250,000	1,248	1,278
Canadian Imperial Bank of Commerce 2.00% 04-17-2025	Canada	Corporate - Non Convertible	538,000	538	557
Canadian Natural Resources Ltd. 3.55% 06-03-2024	Canada	Corporate - Non Convertible	1,050,000	1,046	1,114
Canadian Tire Corp. Ltd. 5.61% 09-04-2035	Canada	Corporate - Non Convertible	960,000	927	1,131
City of Montreal 3.00% 09-01-2027	Canada	Municipal Governments	1,050,000	1,046	1,183
City of Toronto 2.40% 06-07-2027	Canada	Municipal Governments	830,000	784	904
CPPIB Capital Inc. 3.00% 06-15-2028	Canada	Corporate - Non Convertible	650,000	661	741
CU Inc. 5.556% 10-30-2037 Callable	Canada	Corporate - Non Convertible	970,000	1,057	1,366
CU Inc. 4.54% 10-24-2041 Callable	Canada	Corporate - Non Convertible	865,000	915	1,127
Enbridge Pipelines Inc. 5.33% 04-06-2040 Callable	Canada	Corporate - Non Convertible	665,000	738	846
Fédération des Caisses Desjardins du Québec 2.39% 08-25-2022	Canada	Corporate - Non Convertible	525,000	525	543
Fédération des Caisses Desjardins du Québec F/R 05-26-2030 Callable 2025	Canada	Corporate - Non Convertible	337,000	337	354
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	1,990,000	2,077	2,031
Government of Canada 2.75% 06-01-2022	Canada	Federal Government	1,505,000	1,547	1,569
Government of Canada 8.00% 06-01-2023	Canada	Federal Government	1,001,000	1,435	1,208
Government of Canada 2.00% 09-01-2023	Canada	Federal Government	1,232,000	1,274	1,294
Government of Canada 2.25% 03-01-2024	Canada	Federal Government	240,000	257	256
Government of Canada 2.50% 06-01-2024	Canada	Federal Government	1,795,000	1,893	1,942
Government of Canada 1.50% 09-01-2024	Canada	Federal Government	282,000	284	295
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	1,038,000	1,109	1,132
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	850,000	834	905
Government of Canada 8.00% 06-01-2027	Canada	Federal Government	858,000	1,247	1,286

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CANADIAN INCOME FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Government of Canada 2.00% 06-01-2028	Canada	Federal Government	1,180,000	1,313	1,318
Government of Canada 1.25% 06-01-2030	Canada	Federal Government	1,491,000	1,584	1,587
Government of Canada 4.00% 06-01-2041	Canada	Federal Government	935,000	1,194	1,468
Government of Canada 3.50% 12-01-2045	Canada	Federal Government	710,000	1,018	1,096
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	1,338,000	1,506	1,876
Government of Canada 2.00% 12-01-2051	Canada	Federal Government	1,528,000	1,778	1,884
Greater Toronto Airports Authority 3.04% 09-21-2022	Canada	Corporate - Non Convertible	1,300,000	1,367	1,344
Greater Toronto Airports Authority 6.47% 02-02-2034 Callable	Canada	Corporate - Non Convertible	1,169,000	1,459	1,671
Greater Toronto Airports Authority 5.30% 02-25-2041 Callable	Canada	Corporate - Non Convertible	750,000	802	1,040
Honda Canada Finance Inc. 1.34% 03-17-2026	Canada	Corporate - Non Convertible	120,000	120	120
Husky Energy Inc. 3.55% 03-12-2025 Callable 2024	Canada	Corporate - Non Convertible	930,000	927	957
Hydro One Inc. 3.20% 01-13-2022	Canada	Corporate - Non Convertible	1,310,000	1,334	1,354
Hydro One Inc. 6.93% 06-01-2032	Canada	Corporate - Non Convertible	560,000	777	842
Inter-American Development Bank 4.40% 01-26-2026	Supra - National	n/a	335,000	327	398
Interprovincial Pipe Line Ltd. 8.20% 02-15-2024	Canada	Corporate - Non Convertible	270,000	353	330
Loblaw Companies Ltd. 4.86% 09-12-2023 Callable	Canada	Corporate - Non Convertible	450,000	489	497
Municipal Finance Authority of British Columbia 2.95% 10-14-2024	Canada	Municipal Governments	940,000	1,012	1,026
Municipal Finance Authority of British Columbia 4.95% 12-01-2027	Canada	Municipal Governments	375,000	439	475
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	975,000	937	999
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate - Non Convertible	791,000	817	838
NAV CANADA 4.397% 02-18-2021 Callable	Canada	Corporate - Non Convertible	500,000	571	507
NAV Canada 2.06% 05-29-2030	Canada	Corporate - Non Convertible	133,000	133	138
NAV Canada 2.92% 09-29-2051	Canada	Corporate - Non Convertible	56,000	56	59
North West Redwater Partnership 3.20% 04-24-2026 Callable 2026	Canada	Corporate - Non Convertible	1,165,000	1,162	1,258
OMERS Realty Corp. 1.30% 09-22-2023	Canada	Corporate - Non Convertible	69,000	69	70
Ontario School Boards Financing Corp. 5.483% 11-26-2029	Canada	Provincial Governments	65,039	65	78
Ottawa Macdonald-Cartier International Airport Authority 6.973% 05-25-2032 Callable	Canada	Corporate - Non Convertible	23,232	23	30
Province of Alberta 2.35% 06-01-2025	Canada	Provincial Governments	600,000	607	643
Province of Alberta 2.55% 06-01-2027	Canada	Provincial Governments	775,000	750	850
Province of Alberta 2.05% 06-01-2030	Canada	Provincial Governments	444,000	467	467
Province of Alberta 3.45% 12-01-2043	Canada	Provincial Governments	1,575,000	1,704	1,914
Province of British Columbia 2.30% 06-18-2026	Canada	Provincial Governments	850,000	841	923
Province of British Columbia 5.70% 06-18-2029	Canada	Provincial Governments	1,235,000	1,500	1,698
Province of British Columbia 4.30% 06-18-2042	Canada	Provincial Governments	1,825,000	2,069	2,599
Province of British Columbia 2.80% 06-18-2048	Canada	Provincial Governments	1,775,000	1,683	2,089
Province of British Columbia 2.95% 06-18-2050	Canada	Provincial Governments	1,502,000	1,793	1,837
Province of Manitoba 2.45% 06-02-2025	Canada	Provincial Governments	665,000	699	717
Province of Manitoba 4.40% 09-05-2025	Canada	Provincial Governments	550,000	548	646
Province of Manitoba 5.70% 03-05-2037	Canada	Provincial Governments	465,000	514	710
Province of New Brunswick 2.35% 08-14-2027	Canada	Provincial Governments	1,075,000	1,020	1,167
Province of Nova Scotia 4.50% 06-01-2037	Canada	Provincial Governments	500,000	556	683
Province of Ontario 3.50% 06-02-2024	Canada	Provincial Governments	450,000	476	498
Province of Ontario 2.60% 06-02-2025	Canada	Provincial Governments	1,400,000	1,421	1,521
Province of Ontario 1.75% 09-08-2025	Canada	Provincial Governments	1,553,000	1,579	1,628
Province of Ontario 2.60% 06-02-2027	Canada	Provincial Governments	1,760,000	1,783	1,947
Province of Ontario 6.50% 03-08-2029	Canada	Provincial Governments	820,000	991	1,167

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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CANADIAN INCOME FUND

SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
Province of Ontario 2.05% 06-02-2030	Canada	Provincial Governments	1,720,000	1,750	1,838
Province of Ontario 5.85% 03-08-2033	Canada	Provincial Governments	1,205,000	1,417	1,800
Province of Ontario 4.70% 06-02-2037	Canada	Provincial Governments	1,175,000	1,200	1,666
Province of Ontario 4.60% 06-02-2039	Canada	Provincial Governments	1,040,000	1,043	1,486
Province of Ontario 4.65% 06-02-2041	Canada	Provincial Governments	1,764,000	2,034	2,577
Province of Ontario 3.50% 06-02-2043	Canada	Provincial Governments	2,015,000	2,033	2,565
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	1,893,000	1,947	2,252
Province of Ontario 2.65% 12-02-2050	Canada	Provincial Governments	1,815,000	2,038	2,079
Province of Quebec 3.75% 09-01-2024	Canada	Provincial Governments	1,775,000	1,935	1,993
Province of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	1,900,000	1,988	2,144
Province of Quebec 6.00% 10-01-2029	Canada	Provincial Governments	1,316,000	1,427	1,852
Province of Quebec 5.75% 12-01-2036	Canada	Provincial Governments	900,000	1,029	1,406
Province of Quebec 5.00% 12-01-2041	Canada	Provincial Governments	1,257,000	1,408	1,926
Province of Quebec 4.25% 12-01-2043	Canada	Provincial Governments	671,000	747	953
Province of Quebec 3.50% 12-01-2045	Canada	Provincial Governments	1,000,000	1,088	1,294
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	1,605,000	1,798	2,117
Province of Quebec 3.10% 12-01-2051	Canada	Provincial Governments	632,000	796	794
Province of Saskatchewan 2.20% 06-02-2030	Canada	Provincial Governments	1,305,000	1,341	1,403
Province of Saskatchewan 5.80% 09-05-2033	Canada	Provincial Governments	345,000	377	511
Province of Saskatchewan 3.10% 06-02-2050	Canada	Provincial Governments	668,000	807	806
PSP Capital Inc. 2.05% 01-15-2030	Canada	Federal Government	705,000	714	753
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	1,170,000	1,171	1,196
Royal Bank of Canada 2.33% 12-05-2023 DPNT	Canada	Corporate - Non Convertible	1,500,000	1,500	1,573
Royal Bank of Canada 4.93% 07-16-2025	Canada	Corporate - Non Convertible	1,215,000	1,280	1,443
Royal Bank of Canada F/R 07-25-2029	Canada	Corporate - Non Convertible	625,000	639	655
Royal Bank of Canada F/R 06-30-2030 Callable 2025	Canada	Corporate - Non Convertible	332,000	332	339
Scotiabank Capital Trust 5.65% 12-31-2056 (F/R @ 12-31-2036) Callable 2036	Canada	Corporate - Non Convertible	365,000	408	450
Sobeys Inc. 4.70% 08-08-2023	Canada	Corporate - Non Convertible	1,190,000	1,195	1,300
Sun Life Financial Inc. F/R 09-19-2028 Callable 2023	Canada	Corporate - Non Convertible	1,100,000	1,115	1,161
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	435,000	445	453
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate - Non Convertible	673,000	690	713
Sun Life Financial Inc. 5.40% 05-29-2042 (F/R @ 05-29-2037) Callable 2037	Canada	Corporate - Non Convertible	695,000	631	901
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate - Non Convertible	200,000	206	209
TELUS Corp. 3.75% 01-17-2025 Callable	Canada	Corporate - Non Convertible	720,000	718	792
TELUS Corp. 4.40% 04-01-2043 Callable	Canada	Corporate - Non Convertible	600,000	598	691
The Toronto-Dominion Bank 1.68% 06-08-2021 Covered	Canada	Corporate - Non Convertible	833,000	835	841
The Toronto-Dominion Bank 3.226% 07-24-2024	Canada	Corporate - Non Convertible	1,640,000	1,654	1,787
Toyota Credit Canada Inc. 2.35% 07-18-2022	Canada	Corporate - Non Convertible	1,525,000	1,516	1,570
TransCanada PipeLines Ltd. 3.69% 07-19-2023	Canada	Corporate - Non Convertible	775,000	816	824
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	1,050,000	1,066	1,151
Union Gas Ltd. 2.88% 11-22-2027 Callable 2027	Canada	Corporate - Non Convertible	1,460,000	1,459	1,611
University of Toronto 6.78% 07-18-2031	Canada	Provincial Governments	152,000	176	219
Vancouver Airport Authority 2.87% 10-18-2049	Canada	Corporate - Non Convertible	450,000	450	451
Westcoast Energy Inc. 3.12% 12-05-2022	Canada	Corporate - Non Convertible	1,200,000	1,200	1,256
Total bonds				141,283	155,745

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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SCHEDULE OF INVESTMENTS (cont'd)

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
EQUITIES					
Agnico-Eagle Mines Ltd.	Canada	Materials	8,100	610	859
Alimentation Couche-Tard Inc. Class B Sub. voting	Canada	Consumer Staples	23,498	807	1,090
Allied Properties Real Estate Investment Trust	Canada	Real Estate	6,851	268	246
Bank of Montreal	Canada	Financials	45,961	3,569	3,578
The Bank of Nova Scotia	Canada	Financials	66,372	4,105	3,672
Barrick Gold Corp.	Canada	Materials	23,500	767	879
BCE Inc.	Canada	Communication Services	70,629	3,805	3,900
Boardwalk Real Estate Investment Trust	Canada	Real Estate	20,818	555	571
Canadian Imperial Bank of Commerce	Canada	Financials	34,458	3,179	3,430
Canadian National Railway Co.	Canada	Industrials	12,249	1,226	1,737
Canadian Natural Resources Ltd.	Canada	Energy	29,472	975	629
Canadian Tire Corp. Ltd. Class A non-voting	Canada	Consumer Discretionary	2,560	220	343
Capital Power Corp.	Canada	Utilities	16,427	361	483
CI Financial Corp.	Canada	Financials	34,031	781	575
Empire Co. Ltd. Class A non-voting	Canada	Consumer Staples	25,069	710	969
Enbridge Inc.	Canada	Energy	58,431	2,626	2,273
First Capital Real Estate Investment Trust	Canada	Real Estate	54,721	1,116	709
Fortis Inc.	Canada	Utilities	9,140	376	498
George Weston Ltd.	Canada	Consumer Staples	18,607	1,823	1,822
Hydro One Inc.	Canada	Utilities	29,145	665	822
Loblaw Companies Ltd.	Canada	Consumer Staples	9,037	456	630
Magna International Inc.	Canada	Consumer Discretionary	29,962	1,846	1,826
Manulife Financial Corp.	Canada	Financials	67,707	1,336	1,254
National Bank of Canada	Canada	Financials	8,612	410	570
Nutrien Ltd.	Canada	Materials	26,214	1,496	1,369
Restaurant Brands International Inc.	Canada	Consumer Discretionary	10,538	788	806
Rogers Communications Inc. Class B non-voting	Canada	Communication Services	20,238	1,072	1,069
Royal Bank of Canada	Canada	Financials	51,745	4,137	4,838
Saputo Inc.	Canada	Consumer Staples	37,890	1,337	1,266
Sun Life Financial Inc.	Canada	Financials	38,967	1,639	2,114
Suncor Energy Inc.	Canada	Energy	68,300	2,311	1,111
TC Energy Corp.	Canada	Energy	27,970	1,649	1,564
TELUS Corp.	Canada	Communication Services	119,896	2,483	2,809
The Toronto-Dominion Bank	Canada	Financials	67,766	3,581	4,178
Total equities				53,085	54,489
Transaction costs				(31)	—
Total investments				194,337	210,234
Cash and cash equivalents					11,673
Other assets less liabilities					977
Total net assets					222,884

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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CANADIAN INCOME FUND

SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020		March 31, 2020	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Bonds	70.0	Bonds	68.2
Equities	24.4	Equities	27.3
Cash and short-term investments	5.2	Cash and short-term investments	3.0
Other assets (liabilities)	0.4	Other assets (liabilities)	1.5
Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	94.4	Canada	95.5
Cash and short-term investments	5.2	Cash and short-term investments	3.0
Other assets (liabilities)	0.4	Other assets (liabilities)	1.5
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds	26.4	Corporate bonds	23.0
Provincial bonds	25.6	Provincial bonds	21.9
Federal bonds	15.5	Federal bonds	20.9
Financials	10.9	Financials	12.5
Cash and short-term investments	5.2	Communication services	4.5
Communication services	3.5	Cash and short-term investments	3.0
Consumer staples	2.6	Consumer staples	2.8
Energy	2.5	Energy	2.6
Municipal bonds	1.6	Consumer discretionary	1.6
Materials	1.4	Municipal bonds	1.5
Consumer discretionary	1.3	Other assets (liabilities)	1.5
Utilities	0.8	Utilities	1.0
Industrials	0.8	Industrials	1.0
Real estate	0.7	Materials	1.0
Foreign government bonds	0.6	Foreign government bonds	0.7
Other assets (liabilities)	0.4	Real estate	0.3
Other	0.2	Other	0.2

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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CANADIAN INCOME FUND

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, 2020 and 2019, except for the comparative information presented in the Statements of Financial Position and notes thereto, which is as at March 31, 2020, as applicable. In the year a Fund or series is established or reinstated, 'period' represents the period from inception or reinstatement. Refer to Note 9 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 180 Queen Street West, Toronto, 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.

Mackenzie Financial Corporation ("Mackenzie") is the manager of the Fund and is wholly owned by IGM Financial Inc., a subsidiary of Power Corporation of Canada. The Canada Life Assurance Company is also a subsidiary of Power Corporation of Canada. 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, 2020. 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 Mackenzie Financial Corporation on November 10, 2020.

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* ("IFRS 9"). 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 Fund's redeemable securities contain multiple dissimilar contractual obligations and therefore 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.

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.

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.

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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CANADIAN INCOME FUND

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

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. Mackenzie 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.

(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, Mackenzie 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 Mackenzie's opinion, inaccurate, unreliable, or not reflective of all available material information, are valued at their fair value as determined by Mackenzie 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.

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

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 unrealized gains or losses on a "mark to market" basis. 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 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, 2020.

CANADA LIFE INCOME FUND (PORTICO)

(Formerly Income Fund (Portico))

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CANADIAN INCOME FUND

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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.

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, advisers, brokers and dealers. 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 9. 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.

Securities lending transactions are administered by Canadian Imperial Bank of Commerce (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. 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 is included in the Statement of Comprehensive Income – Securities lending income and recognized when earned.

Note 9 summarizes the details of securities loaned and collateral received, as well as a reconciliation of securities lending income, if applicable.

(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 9 summarizes the details of such offsetting, if applicable.

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) Foreign 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. Refer to Note 9 for the Fund's NAV per security.

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CANADIAN INCOME FUND

NOTES TO FINANCIAL STATEMENTS

3. Significant Accounting Policies (cont'd)

(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

The Fund applies the acquisition method of accounting for Fund mergers. Under this method, one of the Funds in each merger is identified as the acquiring Fund, and is referred to as the Continuing Fund, and the other Fund involved in the merger is referred to as the Terminated Fund. This identification is based on the comparison of the relative net asset values of the Funds as well as consideration of the continuation of such aspects of the Continuing Fund as: investment advisors; investment objectives and practices; type of portfolio securities; and management fees and expenses.

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 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. The Manager uses judgment in assessing the impact from such events on the assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at September 30, 2020. However, this uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

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, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie 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, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie 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.

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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. 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 9 for the Fund's loss carryforwards.

6. Management Fees and Operating Expenses

Mackenzie is paid a management fee 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.

Each series of the Fund, except B-Series, is charged a fixed rate annual administration fee ("Administration Fee") and in return, Mackenzie bears all of the operating expenses of the Fund, other than certain specified fund costs. 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 Mackenzie 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.

All expenses relating to the operation of the Fund attributable to B-Series securities will be charged to that particular series. Operating expenses include legal, audit, transfer agent, custodian, administration and trustee services, cost of financial reporting and Simplified Prospectus printing, regulatory filing fees and other miscellaneous expenses specifically attributable to the B-Series securities and any applicable taxes.

Mackenzie 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 9 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, 2020 and 2019 and securities issued, reinvested and redeemed for the periods are presented in the Statement of Changes in Financial Position. Mackenzie manages the capital of the Fund in accordance with the investment objectives as discussed in Note 9.

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* ("IFRS 7"). The Fund's exposure to financial risks is concentrated in its investments, which are presented in the Schedule of Investments, as at September 30, 2020, grouped by asset type, with geographic and sector information.

Mackenzie 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, Mackenzie 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.

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8. Financial Instruments Risk (cont'd)

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 90% of its assets in liquid investments (i.e., investments that can be readily sold).

iii. Currency risk

Currency risk arises when the fair value of financial instruments that are denominated in a currency other than the Canadian dollar, which is the Fund's reporting currency, fluctuates due to changes in exchange rates. Note 9 summarizes the Fund's exposure, if applicable and significant, to currency risk.

iv. Interest rate risk

Interest rate risk arises when the fair value of interest-bearing financial instruments fluctuates due to changes in the prevailing levels of market interest rates. Cash and cash equivalents do not expose the Fund to significant amounts of interest rate risk. Note 9 summarizes the Fund's exposure, if applicable and significant, to 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, 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. Note 9 summarizes the Fund's exposure, if applicable and significant, to other price risk.

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 9 summarizes the Fund's exposure, if applicable and significant, to credit risk.

All transactions in listed securities are executed with approved brokers. 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.

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 9 summarizes the Fund's exposure, if applicable and significant, to these risks from underlying funds.

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9. Fund Specific Information (in '000s, except for (a))

(a) Fund Formation and Series Information

Date of Formation August 17, 1999

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.canadalife.com)

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

Q Series, D5 Series, H Series, H5 Series, HW Series, HW5 Series, L Series, L5 Series, N Series, N5 Series, QF Series, QF5 Series, QFW Series and QFW5 Series securities are no longer available for sale, except for additional purchases by investors who have held these securities since September 9, 2020. Before August 14, 2020, Q Series securities were known as Quadrus Series.

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.

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 (\$)	
				Sep. 30, 2020	Mar. 31, 2020
Q Series ⁽²⁾	September 7, 1999	1.45%	0.21%	16.06	15.20
H Series	January 15, 2001	0.95%	0.15%	14.67	13.89
H5 Series	November 3, 2011	0.95%	0.15%	12.56	12.07
HW Series	August 7, 2018	0.75%	0.15%	10.10	9.56
HW5 Series	August 7, 2018	0.75%	0.15%	14.26	13.67
L Series	October 4, 2011	1.25%	0.15%	11.48	10.87
L5 Series	January 31, 2013	1.25%	0.15%	12.34	11.88
N Series	October 24, 2011	— ⁽¹⁾	— ⁽¹⁾	11.28	10.67
N5 Series	March 22, 2012	— ⁽¹⁾	— ⁽¹⁾	13.33	12.73
D5 Series	August 5, 2008	1.45%	0.21%	11.44	11.02
QF Series	July 12, 2016	0.95%	0.21%	10.15	9.61
QF5 Series	July 12, 2016	0.95%	0.21%	13.20	12.68
QFW Series	August 7, 2018	0.75%	0.15%	10.09	9.55
QFW5 Series	August 7, 2018	0.75%	0.15%	14.26	13.67
Series S	August 24, 2004	— ⁽¹⁾	0.025%	12.77	12.09

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

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2020, The Canada Life Assurance Company, an affiliate of Mackenzie, and Segregated funds managed by The Canada Life Assurance Company had an investment of \$8 and \$2,780 (March 31, 2020 – \$7 and \$2,589), respectively, in the Fund.

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

(c) Loss Carryforwards

As at the last taxation year-end, there were no capital and non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

The value of securities loaned and collateral received from securities lending at September 30, 2020 and March 31, 2020 were as follows:

	September 30, 2020	March 31, 2020
	(\$)	(\$)
Value of securities loaned	25,037	42,898
Value of collateral received	26,341	45,171

Collateral received is comprised of debt obligations of the Government of Canada and other countries, Canadian provincial and municipal governments and financial institutions.

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended September 30, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	16	100.0	24	100.0
Tax withheld	—	—	—	—
	16	100.0	24	100.0
Payments to Securities Lending Agent	(3)	(18.8)	(6)	(25.0)
Securities lending income	13	81.2	18	75.0

(e) Name Change

Effective August 14, 2020, the Fund was renamed Canada Life Income Fund (Portico).

(f) Offsetting of Financial Assets and Liabilities

As at September 30, 2020 and March 31, 2020, there were no amounts subject to offsetting.

(g) Subsequent Events

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.

(h) Risks Associated with Financial Instruments

i. Risk exposure and management

The Fund seeks income and moderate capital growth by investing primarily in Canadian fixed income securities and, to a lesser extent, in Canadian equities. It may hold up to 30% of its assets in foreign investments.

ii. Currency risk

As at September 30, 2020 and March 31, 2020, the Fund did not have a significant exposure to currency risk.

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

(h) Risks Associated with Financial Instruments (cont'd)

iii. Interest rate risk

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

	September 30, 2020	March 31, 2020
Bonds	(\$)	(\$)
Less than 1 year	3,379	5,342
1-5 years	56,109	53,176
5-10 years	40,232	40,504
Greater than 10 years	56,025	52,710
Total	155,745	151,732

As at September 30, 2020, 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 \$13,031 or 5.8% of total net assets (March 31, 2020 – \$12,221 or 5.5%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$5,449 or 2.4% of total net assets (March 31, 2020 – \$6,080 or 2.7%). In practice, the actual trading results may differ and the difference could be material.

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, 2020, was 15.5% of the net assets of the Fund (March 31, 2020 – 21.3%).

As at September 30, 2020 and March 31, 2020, debt securities by credit rating are as follows:

	September 30, 2020	March 31, 2020
Bond Rating*	% of Net Assets	% of Net Assets
AAA	20.8	25.5
AA	11.9	11.0
A	26.2	21.7
BBB	7.5	6.0
Less than BBB	–	0.5
Unrated	3.6	3.5
Total	70.0	68.2

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

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

(i) Fair Value Classification

The table below summarizes the fair value of the Fund's financial instruments using the following fair value hierarchy:

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; 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.

	September 30, 2020				March 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	155,745	–	155,745	–	151,732	–	151,732
Equities	54,489	–	–	54,489	60,804	–	–	60,804
Short-term investments	–	–	–	–	–	6,400	–	6,400
Total	54,489	155,745	–	210,234	60,804	158,132	–	218,936

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.

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.