

CANADA LIFE CORPORATE BOND FUND (PORTICO)

(Formerly Corporate Bond 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 CORPORATE BOND 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	271,735	256,900
Cash and cash equivalents	3,220	514
Accrued interest receivable	2,110	2,154
Dividends receivable	6	7
Accounts receivable for investments sold	668	50
Accounts receivable for securities issued	65	50
Due from manager	–	1
Total assets	277,804	259,676
LIABILITIES		
Current liabilities		
Accounts payable for investments purchased	1,309	332
Accounts payable for securities redeemed	418	176
Due to manager	5	5
Total liabilities	1,732	513
Net assets attributable to securityholders	276,072	259,163
Net assets attributable to securityholders per series (note 3)		
Q Series	59,266	56,789
H Series	1,507	1,339
HW Series	1,329	1,237
L Series	33,820	32,199
N Series	48,832	48,009
QF Series	10,780	9,856
QFW Series	2,225	1,722
Series R	116,819	106,649
Series S	1,494	1,363
Net assets attributable to securityholders per security (note 3)		
Q Series	12.14	11.27
H Series	12.20	11.32
HW Series	10.81	10.02
L Series	10.93	10.14
N Series	11.13	10.32
QF Series	10.41	9.66
QFW Series	10.81	10.02
Series R	11.48	10.65
Series S	11.95	11.08

STATEMENTS OF COMPREHENSIVE INCOME

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

	2020 \$	2019 \$
Income		
Dividends	39	–
Interest income	4,440	4,828
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	1,505	293
Net unrealized gain (loss)	18,579	5,721
Securities lending income	3	4
Total income (loss)	24,566	10,846
Expenses (note 6)		
Management fees	785	839
Management fee rebates	(22)	(22)
Administration fees	99	101
Independent Review Committee fees	–	–
Other	–	1
Expenses before amounts absorbed by Manager	862	919
Expenses absorbed by Manager	–	–
Net expenses	862	919
Increase (decrease) in net assets attributable to securityholders from operations before tax	23,704	9,927
Foreign withholding taxes	–	–
Foreign income taxes paid (recovered)	–	–
Increase (decrease) in net assets attributable to securityholders from operations	23,704	9,927
Increase (decrease) in net assets attributable to securityholders from operations per series		
Q Series	4,848	1,765
H Series	113	76
HW Series	109	34
L Series	2,757	1,022
N Series	4,432	1,864
QF Series	887	300
QFW Series	172	32
Series R	10,255	4,785
Series S	131	49
Increase (decrease) in net assets attributable to securityholders from operations per security		
Q Series	0.98	0.34
H Series	0.98	0.41
HW Series	0.91	0.34
L Series	0.89	0.31
N Series	1.00	0.40
QF Series	0.87	0.32
QFW Series	0.87	0.35
Series R	1.01	0.42
Series S	1.05	0.43

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



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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		HW Series		L Series		N Series	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	56,789	61,470	1,339	1,635	1,237	931	32,199	32,761	48,009	48,096
Increase (decrease) in net assets from operations	4,848	1,765	113	76	109	34	2,757	1,022	4,432	1,864
Distributions paid to securityholders:										
Investment income	(461)	(452)	(17)	(26)	(16)	(13)	(278)	(299)	(805)	(827)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(17)	(18)	(1)	(1)	–	–	–	–	–	–
Total distributions paid to securityholders	(478)	(470)	(18)	(27)	(16)	(13)	(278)	(299)	(805)	(827)
Security transactions:										
Proceeds from securities issued	4,958	6,313	334	720	344	225	2,396	5,018	4,339	9,332
Reinvested distributions	478	470	17	27	16	13	278	296	805	825
Payments on redemption of securities	(7,329)	(8,417)	(278)	(294)	(361)	(40)	(3,532)	(3,952)	(7,948)	(6,584)
Total security transactions	(1,893)	(1,634)	73	453	(1)	198	(858)	1,362	(2,804)	3,573
Total increase (decrease) in net assets	2,477	(339)	168	502	92	219	1,621	2,085	823	4,610
End of period	59,266	61,131	1,507	2,137	1,329	1,150	33,820	34,846	48,832	52,706

	Securities		Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):										
Securities outstanding – beginning of period	5,041	5,334	118	141	123	91	3,176	3,160	4,650	4,556
Issued	414	541	29	63	32	22	222	478	395	871
Reinvested distributions	40	40	1	2	2	1	26	28	73	77
Redeemed	(613)	(721)	(24)	(25)	(34)	(4)	(329)	(376)	(731)	(617)
Securities outstanding – end of period	4,882	5,194	124	181	123	110	3,095	3,290	4,387	4,887

	QF Series		QFW Series		Series R		Series S		Total	
	\$		\$		\$		\$		\$	
NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS										
Beginning of period	9,856	8,802	1,722	716	106,649	122,427	1,363	1,329	259,163	278,167
Increase (decrease) in net assets from operations	887	300	172	32	10,255	4,785	131	49	23,704	9,927
Distributions paid to securityholders:										
Investment income	(124)	(111)	(26)	(12)	(1,888)	(2,072)	(24)	(21)	(3,639)	(3,833)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(4)	(3)	–	–	–	–	–	–	(22)	(22)
Total distributions paid to securityholders	(128)	(114)	(26)	(12)	(1,888)	(2,072)	(24)	(21)	(3,661)	(3,855)
Security transactions:										
Proceeds from securities issued	1,399	3,051	410	979	6,148	7,249	–	–	20,328	32,887
Reinvested distributions	128	114	26	12	–	–	24	21	1,772	1,778
Payments on redemption of securities	(1,362)	(2,065)	(79)	(92)	(4,345)	(14,726)	–	(95)	(25,234)	(36,265)
Total security transactions	165	1,100	357	899	1,803	(7,477)	24	(74)	(3,134)	(1,600)
Total increase (decrease) in net assets	924	1,286	503	919	10,170	(4,764)	131	(46)	16,909	4,472
End of period	10,780	10,088	2,225	1,635	116,819	117,663	1,494	1,283	276,072	282,639

	Securities		Securities		Securities		Securities	
Increase (decrease) in fund securities (note 7):								
Securities outstanding – beginning of period	1,020	890	172	70	10,015	11,245	123	117
Issued	136	304	39	94	543	660	–	–
Reinvested distributions	12	11	2	1	–	–	2	2
Redeemed	(133)	(206)	(7)	(9)	(382)	(1,327)	–	(8)
Securities outstanding – end of period	1,035	999	206	156	10,176	10,578	125	111

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CANADIAN INCOME FUND

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	23,704	9,927
Adjustments for:		
Net realized loss (gain) on investments	(1,505)	(296)
Change in net unrealized loss (gain) on investments	(18,579)	(5,721)
Purchase of investments	(55,924)	(46,977)
Proceeds from sale and maturity of investments	61,532	44,804
Change in accrued interest receivable	44	83
Change in dividends receivable	1	–
Change in due from manager	1	1
Net cash from operating activities	9,274	1,821
Cash flows from financing activities		
Proceeds from securities issued	19,770	31,406
Payments on redemption of securities	(24,449)	(34,643)
Distributions paid net of reinvestments	(1,889)	(2,077)
Net cash from financing activities	(6,568)	(5,314)
Net increase (decrease) in cash and cash equivalents	2,706	(3,493)
Cash and cash equivalents at beginning of period	514	4,200
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	3,220	707
Cash	3,220	7
Cash equivalents	–	700
Cash and cash equivalents at end of period	3,220	707
Supplementary disclosures on cash flow from operating activities:		
Dividends received	40	–
Foreign taxes paid	–	–
Interest received	4,484	4,911
Interest paid	–	–

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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. 2.47% 09-08-2022 Callable 2022	Canada	Corporate - Non Convertible	1,381,000	1,417	1,418
407 International Inc. 3.83% 05-11-2046	Canada	Corporate - Non Convertible	3,031,000	3,154	3,643
407 International Inc. 3.72% 05-11-2048 Callable 2047	Canada	Corporate - Non Convertible	853,000	1,007	1,016
407 International Inc. 2.84% 03-07-2050	Canada	Corporate - Non Convertible	1,125,000	1,123	1,151
Aéroports de Montréal 3.92% 09-26-2042	Canada	Corporate - Non Convertible	1,032,000	1,030	1,213
AIMCo Realty Investors LP 2.71% 06-01-2029 Callable 2029	Canada	Corporate - Non Convertible	1,332,000	1,334	1,437
Alectra Inc. 3.46% 04-12-2049 Callable 2048	Canada	Corporate - Non Convertible	758,000	895	891
Allied Properties Real Estate Investment Trust 3.13% 05-15-2028	Canada	Corporate - Non Convertible	548,000	548	574
AltaGas Ltd. 2.61% 12-16-2022	Canada	Corporate - Non Convertible	213,000	213	220
AltaGas Ltd. 3.57% 06-12-2023 Callable	Canada	Corporate - Non Convertible	2,318,000	2,355	2,450
AltaGas Ltd. 2.16% 06-10-2025	Canada	Corporate - Non Convertible	656,000	663	672
AltaLink LP 1.51% 09-11-2030	Canada	Corporate - Non Convertible	370,000	370	370
AltaLink LP 3.99% 06-30-2042 Callable	Canada	Corporate - Non Convertible	4,395,000	4,676	5,431
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	1,628,000	1,621	1,721
AT&T Inc. 4.00% 11-25-2025 Callable 2025	United States	Corporate - Non Convertible	1,025,000	1,022	1,150
Aviva PLC 4.50% 05-10-2021	United Kingdom	Corporate - Non Convertible	589,000	587	600
Bank of America Corp. F/R 04-25-2025 Callable 2024	United States	Corporate - Non Convertible	1,077,000	1,077	1,139
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	772,000	772	834
Bank of Montreal 2.12% 03-16-2022	Canada	Corporate - Non Convertible	1,721,000	1,718	1,761
Bank of Montreal 2.89% 06-20-2023	Canada	Corporate - Non Convertible	1,696,000	1,696	1,796
Bank of Montreal 2.85% 03-06-2024	Canada	Corporate - Non Convertible	1,408,000	1,408	1,494
Bank of Montreal 2.28% 07-29-2024	Canada	Corporate - Non Convertible	1,802,000	1,801	1,883
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	1,274,000	1,274	1,338
Bank of Montreal 4.61% 09-10-2025	Canada	Corporate - Non Convertible	1,537,000	1,690	1,806
Bank of Montreal 3.19% 03-01-2028	Canada	Corporate - Non Convertible	602,000	687	683
Bank of Montreal F/R 06-17-2030 Callable 2025	Canada	Corporate - Non Convertible	1,347,000	1,347	1,374
Bank of Montreal F/R 11-26-2080	Canada	Corporate - Non Convertible	219,000	219	221
The Bank of Nova Scotia 2.98% 04-17-2023	Canada	Corporate - Non Convertible	800,000	798	846
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	1,710,000	1,738	1,775
The Bank of Nova Scotia 2.49% 09-23-2024	Canada	Corporate - Non Convertible	1,589,000	1,589	1,675
The Bank of Nova Scotia 8.90% 06-20-2025	Canada	Corporate - Non Convertible	900,000	1,331	1,210
The Bank of Nova Scotia 2.58% 03-30-2027 Callable 2022	Canada	Corporate - Non Convertible	1,150,000	1,139	1,177
The Bank of Nova Scotia 3.10% 02-02-2028	Canada	Corporate - Non Convertible	284,000	288	321
The Bank of Nova Scotia F/R 01-18-2029 Callable 2024	Canada	Corporate - Non Convertible	1,070,000	1,070	1,155
The Bank of Nova Scotia F/R 07-03-2029 Callable 2024	Canada	Corporate - Non Convertible	2,658,000	2,659	2,788
bcIMC Realty Corp. 1.75% 07-24-2030 Callable 2030	Canada	Corporate - Non Convertible	933,000	939	936
Bell Canada Inc. 3.35% 03-22-2023	Canada	Corporate - Non Convertible	1,303,000	1,332	1,373
Bell Canada Inc. 2.75% 01-29-2025 Callable 2024	Canada	Corporate - Non Convertible	1,916,000	1,976	2,033
Bell Canada Inc. 3.55% 03-02-2026 Callable 2025	Canada	Corporate - Non Convertible	2,540,000	2,604	2,807
Bell Canada Inc. 1.65% 08-16-2027 Callable 2027	Canada	Corporate - Non Convertible	259,000	259	259
Bell Canada Inc. 4.75% 09-29-2044 Callable 2044	Canada	Corporate - Non Convertible	1,978,000	2,009	2,440
British Columbia Ferry Service Inc. 2.79% 10-15-2049	Canada	Corporate - Non Convertible	1,365,000	1,355	1,410
Brookfield BPY Holdings Inc. 3.93% 01-15-2027 Callable 2026	United States	Corporate - Non Convertible	1,523,000	1,523	1,532
Brookfield Infrastructure Finance ULC 3.32% 02-22-2024 Callable 2023	Canada	Corporate - Non Convertible	1,475,000	1,486	1,572
Brookfield Infrastructure Finance ULC 2.86% 09-01-2032 Callable 2032	Canada	Corporate - Non Convertible	177,000	177	181

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(Formerly Corporate Bond 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)
BONDS (cont'd)					
Brookfield Property Finance ULC 4.30% 03-01-2024 Callable 2024	Canada	Corporate - Non Convertible	1,036,000	1,036	1,066
Brookfield Renewable Partners ULC 3.33% 08-13-2050 Callable 2050	Canada	Corporate - Non Convertible	557,000	557	555
Bruce Power LP 3.00% 06-21-2024 Callable 2024	Canada	Corporate - Non Convertible	1,889,000	1,960	2,006
Bruce Power LP 4.00% 06-21-2030 Callable 2030	Canada	Corporate - Non Convertible	820,000	819	943
Canadian Imperial Bank of Commerce 3.29% 01-15-2024	Canada	Corporate - Non Convertible	1,352,000	1,353	1,450
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	2,292,000	2,287	2,416
Canadian Imperial Bank of Commerce F/R 06-19-2029 Callable 2024	Canada	Corporate - Non Convertible	765,000	765	805
Canadian Imperial Bank of Commerce F/R 07-21-2030 Callable 2025	Canada	Corporate - Non Convertible	656,000	656	665
Canadian Imperial Bank of Commerce 4.38% 10-28-2080	Canada	Corporate - Non Convertible	599,000	599	601
Canadian National Railway Co. 3.60% 02-08-2049 Callable 2048	Canada	Corporate - Non Convertible	753,000	747	884
Canadian Pacific Railway Ltd. 3.15% 03-13-2029 Callable 2028	Canada	Corporate - Non Convertible	802,000	806	891
Canadian Western Bank 2.88% 03-01-2021	Canada	Corporate - Non Convertible	1,841,000	1,843	1,857
Canadian Western Bank 2.84% 03-14-2022	Canada	Corporate - Non Convertible	874,000	885	896
Canadian Western Bank 1.57% 09-14-2023	Canada	Corporate - Non Convertible	136,000	136	137
Canadian Western Bank 2.61% 01-30-2025 Callable 2024	Canada	Corporate - Non Convertible	221,000	221	230
Capital Power Corp. 3.15% 10-01-2032	Canada	Corporate - Non Convertible	243,000	243	243
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	232,000	232	239
Caterpillar Financial Services Ltd. 2.09% 09-12-2022	United States	Corporate - Non Convertible	994,000	994	1,021
CCL Industries Inc. 3.86% 04-13-2028 Callable 2028	Canada	Corporate - Non Convertible	1,177,000	1,231	1,317
Central 1 Credit Union 2.58% 12-06-2023	Canada	Corporate - Non Convertible	1,407,000	1,396	1,456
Choice Properties Real Estate Investment Trust 3.196% 03-07-2023	Canada	Corporate - Non Convertible	1,030,000	1,053	1,077
Choice Properties Real Estate Investment Trust 4.18% 03-08-2028 Callable 2027	Canada	Corporate - Non Convertible	1,378,000	1,379	1,577
CI Financial Corp. 3.76% 05-26-2025	Canada	Corporate - Non Convertible	628,000	628	664
CT Real Estate Investment Trust 3.29% 06-01-2026 Series D Callable	Canada	Corporate - Non Convertible	829,000	829	871
CU Inc. 5.896% 11-20-2034 Callable	Canada	Corporate - Non Convertible	2,706,000	3,570	3,782
CU Inc. 4.09% 09-02-2044 Callable	Canada	Corporate - Non Convertible	154,000	167	192
CU Inc. 3.96% 07-27-2045 Callable	Canada	Corporate - Non Convertible	345,000	433	425
CU Inc. 2.61% 09-28-2050	Canada	Corporate - Non Convertible	561,000	561	556
Daimler Canada Finance Inc. 3.30% 08-16-2022	Germany	Corporate - Non Convertible	196,000	196	204
Daimler Canada Finance Inc. 1.65% 09-22-2025	Germany	Corporate - Non Convertible	567,000	566	567
Dollarama Inc. 2.20% 11-10-2022 Callable 2022	Canada	Corporate - Non Convertible	1,240,000	1,245	1,276
Dollarama Inc. 1.51% 09-20-2027 Callable 2027	Canada	Corporate - Non Convertible	635,000	635	636
Eagle Credit Card Trust 1.27% 07-17-2025	Canada	Corporate - Non Convertible	244,000	244	245
Enbridge Gas Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	2,323,000	2,257	2,689
Enbridge Inc. 3.19% 12-05-2022	Canada	Corporate - Non Convertible	2,311,000	2,361	2,417
Enbridge Inc. 3.95% 11-19-2024 Callable 2024	Canada	Corporate - Non Convertible	1,341,000	1,402	1,470
Enbridge Inc. 2.99% 10-03-2029	Canada	Corporate - Non Convertible	1,964,000	1,963	2,093
Enbridge Inc. 4.24% 08-27-2042	Canada	Corporate - Non Convertible	1,613,000	1,553	1,740
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	1,944,000	1,873	1,951
Enbridge Pipelines Inc. 5.33% 04-06-2040 Callable	Canada	Corporate - Non Convertible	2,836,000	3,319	3,609
ENMAX Corp. 3.33% 06-02-2025	Canada	Corporate - Non Convertible	390,000	390	422
EPCOR Utilities Inc. 5.65% 11-16-2035 Callable	Canada	Corporate - Non Convertible	936,000	1,227	1,295
EPCOR Utilities Inc. 4.55% 02-28-2042	Canada	Corporate - Non Convertible	741,000	978	970
Equitable Bank 1.77% 09-21-2023	Canada	Corporate - Non Convertible	674,000	674	676
Fédération des Caisses Desjardins du Québec F/R 05-26-2030 Callable 2025	Canada	Corporate - Non Convertible	962,000	962	1,010

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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)
BONDS (cont'd)					
First Capital Realty Inc. 3.90% 10-30-2023 Callable	Canada	Corporate - Non Convertible	3,994,000	4,130	4,159
Ford Credit Canada Co. 2.58% 05-10-2021	United States	Corporate - Non Convertible	2,486,000	2,489	2,470
Ford Credit Canada Co. 3.35% 09-19-2022	United States	Corporate - Non Convertible	390,000	390	382
FortisAlberta Inc. 6.22% 10-31-2034 Callable	Canada	Corporate - Non Convertible	1,056,000	1,172	1,510
FortisBC Energy Inc. 3.85% 12-07-2048 Callable 2048	Canada	Corporate - Non Convertible	535,000	534	664
FortisBC Energy Inc. 2.54% 07-13-2050	Canada	Corporate - Non Convertible	491,000	491	484
FortisBC Energy Inc. 5.00% 11-24-2050	Canada	Corporate - Non Convertible	745,000	1,081	1,072
Genworth MI Canada Inc. 2.96% 03-01-2027	Canada	Corporate - Non Convertible	615,000	615	628
George Weston Ltd. 4.12% 06-17-2024 Callable 2024	Canada	Corporate - Non Convertible	1,629,000	1,690	1,776
Gibson Energy Inc. 2.45% 07-14-2025 Callable 2025	Canada	Corporate - Non Convertible	671,000	670	690
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate - Non Convertible	463,000	462	500
Glacier Credit Card Trust 3.30% 09-20-2022	Canada	Corporate - Non Convertible	538,000	550	554
Glacier Credit Card Trust 1.39% 09-22-2025	Canada	Corporate - Non Convertible	259,000	259	260
Greater Toronto Airports Authority 6.98% 10-15-2032 Callable	Canada	Corporate - Non Convertible	2,551,000	3,433	3,709
Greater Toronto Airports Authority 4.53% 12-02-2041 Callable	Canada	Corporate - Non Convertible	1,650,000	1,923	2,095
H&R Real Estate Investment Trust 3.37% 01-30-2024 Callable 2023	Canada	Corporate - Non Convertible	1,241,000	1,242	1,258
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	1,222,000	1,222	1,267
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	864,000	864	895
Honda Canada Finance Inc. 3.18% 08-28-2023	Canada	Corporate - Non Convertible	1,313,000	1,397	1,394
Honda Canada Finance Inc. 1.34% 03-17-2026	Canada	Corporate - Non Convertible	99,000	99	99
HSBC Bank Canada 3.25% 09-15-2023	Canada	Corporate - Non Convertible	1,758,000	1,758	1,873
Husky Energy Inc. 3.60% 03-10-2027 Callable 2026	Canada	Corporate - Non Convertible	2,310,000	2,310	2,343
Husky Energy Inc. 3.50% 02-07-2028 Callable 2027	Canada	Corporate - Non Convertible	579,000	579	578
Hydro One Inc. 6.93% 06-01-2032	Canada	Corporate - Non Convertible	1,626,000	2,172	2,444
Hydro One Inc. 5.49% 07-16-2040	Canada	Corporate - Non Convertible	2,184,000	2,911	3,149
Hydro One Inc. 4.00% 12-22-2051	Canada	Corporate - Non Convertible	932,000	1,199	1,194
Hydro One Ltd. 1.41% 10-15-2027 Callable 2027	Canada	Corporate - Non Convertible	208,000	208	209
iA Financial Corp. Inc. F/R 09-24-2031	Canada	Corporate - Non Convertible	907,000	907	972
Inter Pipeline Ltd. 3.17% 03-24-2025 Callable 2024 MTN	Canada	Corporate - Non Convertible	412,000	400	431
Inter Pipeline Ltd. 4.23% 06-01-2027	Canada	Corporate - Non Convertible	1,881,000	1,881	2,064
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	176,000	176	174
John Deere Financial Inc. 1.34% 09-08-2027	United States	Corporate - Non Convertible	732,000	733	732
Kruger Packaging Holdings LP 6.00% 06-01-2026 Callable 2022	Canada	Corporate - Non Convertible	235,000	235	246
Kruger Products LP 6.00% 04-24-2025 Callable 2021	Canada	Corporate - Non Convertible	375,000	375	375
Laurentian Bank of Canada F/R 06-22-2027 Callable 2022	Canada	Corporate - Non Convertible	754,000	757	774
Lloyds Banking Group PLC 3.50% 02-03-2025	United Kingdom	Corporate - Non Convertible	1,113,000	1,113	1,186
Loblaw Companies Ltd. 4.49% 12-11-2028 Callable 2028	Canada	Corporate - Non Convertible	460,000	460	555
Loblaw Companies Ltd. 5.90% 01-18-2036 Callable	Canada	Corporate - Non Convertible	4,067,000	4,484	5,469
Lower Mattagami Energy LP 4.176% 02-23-2046	Canada	Corporate - Non Convertible	381,000	501	493
The Manufacturers Life Insurance Co. 3.18% 11-22-2027 Callable	Canada	Corporate - Non Convertible	1,597,000	1,650	1,669
Manulife Bank of Canada 1.50% 06-25-2025	Canada	Corporate - Non Convertible	523,000	523	532
Manulife Finance (Delaware) LP 5.06% 12-15-2041	Canada	Corporate - Non Convertible	2,084,000	2,105	2,577
Manulife Financial Corp. F/R 05-09-2028 Callable 2023	Canada	Corporate - Non Convertible	1,560,000	1,561	1,643
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	1,000,000	1,002	1,062
Manulife Financial Corp. F/R 05-12-2030 Callable 2025	Canada	Corporate - Non Convertible	2,227,000	2,227	2,296
MCAP Commercial LP 3.74% 08-25-2025	Canada	Corporate - Non Convertible	431,000	431	435
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	1,254,000	1,245	1,359

CANADA LIFE CORPORATE BOND FUND (PORTICO)

(Formerly Corporate Bond 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)					
Metro Inc. 3.39% 12-06-2027 Callable 2027	Canada	Corporate - Non Convertible	1,557,000	1,550	1,748
Morguard Corp. 4.40% 09-28-2023	Canada	Corporate - Non Convertible	579,000	579	579
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	1,259,000	1,259	1,315
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	1,720,000	1,717	1,762
National Bank of Canada 2.98% 03-04-2024	Canada	Corporate - Non Convertible	1,288,000	1,375	1,372
National Bank of Canada F/R 08-18-2026 Callable 2025	Canada	Corporate - Non Convertible	231,000	231	233
National Bank of Canada 3.18% 02-01-2028 Callable 2023	Canada	Corporate - Non Convertible	552,000	573	575
National Bank of Canada F/R 11-15-2080	Canada	Corporate - Non Convertible	515,000	515	513
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	2,049,000	2,113	2,299
Nissan Canada Financial Services Inc. 3.15% 09-14-2021	Canada	Corporate - Non Convertible	684,000	684	691
North West Redwater Partnership 3.65% 06-01-2035 Callable 2034	Canada	Corporate - Non Convertible	1,864,000	1,872	2,055
Ontario Power Generation Inc. 3.32% 10-04-2027 Callable 2027	Canada	Corporate - Non Convertible	1,858,000	1,843	2,081
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2020	Canada	Corporate - Non Convertible	235,000	239	243
Parkland Fuel Corp. 5.63% 05-09-2025 Callable 2020	Canada	Corporate - Non Convertible	741,000	741	771
Parkland Fuel Corp. 6.00% 06-23-2028 Callable 2023	Canada	Corporate - Non Convertible	419,000	419	441
Pembina Pipeline Corp. 3.71% 08-11-2026 Callable 2026	Canada	Corporate - Non Convertible	1,421,000	1,445	1,555
Pembina Pipeline Corp. 3.31% 02-01-2030 Callable 2029	Canada	Corporate - Non Convertible	1,952,000	1,986	2,080
Pembina Pipeline Corp. 4.67% 05-28-2050	Canada	Corporate - Non Convertible	359,000	417	396
Reliance LP 2.68% 12-01-2027	Canada	Corporate - Non Convertible	682,000	682	704
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	734,000	778	822
Rogers Communications Inc. 6.11% 08-25-2040	Canada	Corporate - Non Convertible	378,000	542	529
Royal Bank of Canada 3.30% 09-26-2023	Canada	Corporate - Non Convertible	1,502,000	1,502	1,605
Royal Bank of Canada 2.35% 07-02-2024	Canada	Corporate - Non Convertible	797,000	797	835
Royal Bank of Canada 1.94% 05-01-2025	Canada	Corporate - Non Convertible	1,331,000	1,331	1,376
Royal Bank of Canada F/R 07-25-2029	Canada	Corporate - Non Convertible	2,868,000	2,921	3,007
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	1,124,000	1,124	1,186
Royal Bank of Canada F/R 06-30-2030 Callable 2025	Canada	Corporate - Non Convertible	416,000	416	425
Royal Bank of Canada F/R 11-24-2080 Callable 2025	Canada	Corporate - Non Convertible	655,000	655	669
Saputo Inc. 3.61% 08-14-2025 Callable 2025	Canada	Corporate - Non Convertible	2,165,000	2,177	2,390
Saputo Inc. 2.24% 06-16-2027 Callable 2027	Canada	Corporate - Non Convertible	753,000	753	782
Shaw Communications Inc. 3.80% 03-01-2027 Callable	Canada	Corporate - Non Convertible	1,443,000	1,470	1,616
Shaw Communications Inc. 6.75% 11-09-2039	Canada	Corporate - Non Convertible	1,676,000	2,118	2,382
Sienna Senior Living Inc. 3.47% 02-03-2021	Canada	Corporate - Non Convertible	1,072,000	1,093	1,081
Smart Real Estate Investment Trust 3.44% 08-28-2026 Callable	Canada	Corporate - Non Convertible	659,000	698	699
SmartCentres Real Estate Investment Trust 2.76% 06-23-2021	Canada	Corporate - Non Convertible	385,000	385	389
SmartCentres Real Estate Investment Trust 3.19% 06-11-2027 Callable 2027	Canada	Corporate - Non Convertible	308,000	308	321
Sobeys Inc. 4.70% 08-08-2023	Canada	Corporate - Non Convertible	373,000	401	407
Summit Industrial Income Real Estate Investment Trust 2.15% 09-17-2025 Callable 2025	Canada	Corporate - Non Convertible	310,000	310	311
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	1,515,000	1,515	1,570
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	1,950,000	1,950	2,033
Sun Life Financial Inc. F/R 05-10-2032 Callable 2027	Canada	Corporate - Non Convertible	347,000	347	368
Sun Life Financial Inc. F/R 10-01-2035	Canada	Corporate - Non Convertible	859,000	858	858
Sun Life Financial Inc. 5.40% 05-29-2042 (F/R @ 05-29-2037) Callable 2037	Canada	Corporate - Non Convertible	1,586,000	1,674	2,055
Suncor Energy Inc. 3.10% 05-24-2029 Callable 2029	Canada	Corporate - Non Convertible	2,975,000	3,020	3,116
Superior Plus LP 5.13% 08-27-2025 Callable 2021	Canada	Corporate - Non Convertible	1,031,000	1,021	1,064

CANADA LIFE CORPORATE BOND FUND (PORTICO)

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SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
BONDS (cont'd)					
TELUS Corp. 3.63% 03-01-2028 Callable 2027	Canada	Corporate - Non Convertible	521,000	521	586
TELUS Corp. 3.30% 05-02-2029 Callable 2029	Canada	Corporate - Non Convertible	1,943,000	1,939	2,152
TELUS Corp. 3.15% 02-19-2030 Callable 2029	Canada	Corporate - Non Convertible	385,000	405	423
TELUS Corp. 4.85% 04-05-2044	Canada	Corporate - Non Convertible	1,086,000	1,383	1,330
TELUS Corp. 4.40% 01-29-2046 Callable 2045	Canada	Corporate - Non Convertible	503,000	615	583
Teranet Holdings LP 4.807% 12-16-2020	Canada	Corporate - Non Convertible	1,258,000	1,349	1,267
Teranet Holdings LP 3.54% 06-11-2025	Canada	Corporate - Non Convertible	1,226,000	1,226	1,290
Thomson Reuters Corp. 2.24% 05-14-2025 Callable 2025	Canada	Corporate - Non Convertible	826,000	826	861
The Toronto-Dominion Bank 1.99% 03-23-2022	Canada	Corporate - Non Convertible	2,820,000	2,762	2,882
The Toronto-Dominion Bank 3.01% 05-30-2023	Canada	Corporate - Non Convertible	880,000	880	934
The Toronto-Dominion Bank 2.85% 03-08-2024	Canada	Corporate - Non Convertible	608,000	608	647
The Toronto-Dominion Bank 3.226% 07-24-2024	Canada	Corporate - Non Convertible	292,000	304	318
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate - Non Convertible	553,000	553	573
The Toronto-Dominion Bank F/R 04-22-2030 Callable 2025	Canada	Corporate - Non Convertible	763,000	763	814
Toyota Credit Canada Inc. 2.62% 10-11-2022	Canada	Corporate - Non Convertible	1,078,000	1,119	1,119
Toyota Credit Canada Inc. 2.31% 10-23-2024	Canada	Corporate - Non Convertible	453,000	453	475
TransCanada PipeLines Ltd. 3.30% 07-17-2025 Callable 2025 MTN	Canada	Corporate - Non Convertible	2,061,000	2,090	2,230
TransCanada PipeLines Ltd. 3.80% 04-05-2027 Callable 2027	Canada	Corporate - Non Convertible	941,000	986	1,047
TransCanada Pipelines Ltd. 3.39% 03-15-2028 Callable 2027	Canada	Corporate - Non Convertible	2,134,000	2,214	2,340
TransCanada PipeLines Ltd. 4.18% 07-03-2048 Callable 2048	Canada	Corporate - Non Convertible	541,000	606	584
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	1,187,000	1,187	1,179
Transurban Finance Co. Pty. Ltd. 4.56% 11-14-2028 Callable 2028	Australia	Corporate - Non Convertible	1,172,000	1,172	1,330
Union Gas Ltd. 5.20% 07-23-2040 Callable	Canada	Corporate - Non Convertible	1,204,000	1,623	1,667
Union Gas Ltd. 3.80% 06-01-2046 Callable	Canada	Corporate - Non Convertible	1,130,000	1,194	1,365
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	1,241,000	1,238	1,455
United Parcel Service Inc. 2.13% 05-21-2024 Callable 2024	United States	Corporate - Non Convertible	1,473,000	1,443	1,531
Vancouver Airport Authority 1.76% 09-20-2030 Callable 2030	Canada	Corporate - Non Convertible	606,000	606	608
Vancouver Airport Authority 2.87% 10-18-2049	Canada	Corporate - Non Convertible	767,000	768	769
Ventas Canada Finance Ltd. 4.125% 09-30-2024 Callable 2024	United States	Corporate - Non Convertible	2,043,000	2,150	2,171
Ventas Inc. 2.80% 04-12-2024 Callable 2024	United States	Corporate - Non Convertible	328,000	328	332
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate - Non Convertible	1,200,000	1,200	1,261
Volkswagen AG 1.20% 09-25-2023	Germany	Corporate - Non Convertible	370,000	370	370
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	1,242,000	1,242	1,324
Welltower Inc. 2.95% 01-15-2027 Callable 2026	United States	Corporate - Non Convertible	703,000	702	715
Total bonds				255,052	270,409
EXCHANGE-TRADED FUNDS/NOTES					
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	Canada	Exchange-Traded Funds/Notes	103,001	1,361	1,326
Total exchange-traded funds/notes				1,361	1,326
Transaction costs				(2)	–
Total investments				256,411	271,735
Cash and cash equivalents					3,220
Other assets less liabilities					1,117
Total net assets					276,072

CANADA LIFE CORPORATE BOND FUND (PORTICO)

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SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020		March 31, 2020	
Portfolio Allocation	% of NAV	Portfolio Allocation	% of NAV
Bonds	97.9	Bonds	98.7
Cash and short-term investments	1.2	Other assets (liabilities)	0.7
Exchange-traded funds/notes	0.5	Exchange-traded funds/notes	0.4
Other assets (liabilities)	0.4	Cash and short-term investments	0.2
Regional Allocation	% of NAV	Regional Allocation	% of NAV
Canada	89.4	Canada	85.9
United States	5.6	United States	9.6
United Kingdom	1.4	United Kingdom	1.5
Cash and short-term investments	1.2	Australia	1.4
Germany	1.0	Germany	0.7
Australia	1.0	Other assets (liabilities)	0.7
Other assets (liabilities)	0.4	Cash and short-term investments	0.2
Sector Allocation	% of NAV	Sector Allocation	% of NAV
Corporate bonds – Financial	34.5	Corporate bonds – Financial	39.2
Corporate bonds – Energy	21.9	Corporate bonds – Energy	18.5
Corporate bonds – Infrastructure	14.7	Corporate bonds – Infrastructure	13.1
Corporate bonds – Industrial	10.4	Corporate bonds – Industrial	10.0
Corporate bonds – Communication	8.2	Corporate bonds – Communication	8.3
Corporate bonds – Real estate	7.9	Corporate bonds – Real estate	7.3
Cash and short-term investments	1.2	Federal bonds	1.7
Exchange-traded funds/notes	0.5	Other assets (liabilities)	0.7
Other assets (liabilities)	0.4	Foreign government bonds	0.6
Other	0.3	Exchange-traded funds/notes	0.4
		Cash and short-term investments	0.2

CANADA LIFE CORPORATE BOND 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 CORPORATE BOND 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 CORPORATE BOND 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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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 January 2, 2001

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 securities are offered to investors investing a minimum of \$500. Before August 14, 2020, Q Series securities were known as Quadrus Series.

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

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

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

N Series securities are offered to investors investing a minimum of \$100,000, who have eligible minimum total holdings of \$500,000, and who have entered into an N type series account agreement with Mackenzie and Quadrus.

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

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

Series R securities are offered only to other affiliated funds and certain institutional investors in connection with fund-of-fund arrangements.

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⁾	January 19, 2001	1.45%	0.17%	12.14	11.27
H Series	January 15, 2001	0.75%	0.15%	12.20	11.32
HW Series	August 7, 2018	0.55%	0.15%	10.81	10.02
L Series	November 30, 2011	1.30%	0.15%	10.93	10.14
N Series	October 24, 2011	— ⁽¹⁾	— ⁽¹⁾	11.13	10.32
QF Series	July 12, 2016	0.75%	0.17%	10.41	9.66
QFW Series	August 7, 2018	0.55%	0.15%	10.81	10.02
Series R	July 3, 2007	—*	—*	11.48	10.65
Series S	October 24, 2008	— ⁽¹⁾	0.02%	11.95	11.08

* Not applicable.

(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.

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

(b) Investments by Mackenzie and Affiliates

As at September 30, 2020, other funds managed by Mackenzie and Segregated funds managed by The Canada Life Assurance Company had an investment of \$116,819 and \$1,494 (March 31, 2020 – \$106,649 and \$1,363), respectively, in the Fund.

(c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$1,022 which may be carried forward indefinitely to reduce future realized capital gains. There were no non-capital losses available to carry forward for tax purposes.

(d) Securities Lending

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	2,024	12,843
Value of collateral received	2,128	13,493

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	4	100.0	5	100.0
Tax withheld	–	–	–	–
	4	100.0	5	100.0
Payments to Securities Lending Agent	(1)	(25.0)	(1)	(20.0)
Securities lending income	3	75.0	4	80.0

(e) Name Change

Effective August 14, 2020, the Fund was renamed Canada Life Corporate Bond 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 while trying to protect its capital by investing primarily in investment grade, Canadian corporate fixed income securities. 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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NOTES TO FINANCIAL STATEMENTS

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	8,355	15,308
1-5 years	91,647	84,869
5-10 years	86,256	83,082
Greater than 10 years	84,151	72,486
Total	270,409	255,745

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 \$18,741 or 6.8% of total net assets (March 31, 2020 – \$16,340 or 6.3%). In practice, the actual trading results may differ and the difference could be material.

iv. Other price risk

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

v. Credit risk

The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The maximum exposure to any one debt issuer as at September 30, 2020, was 4.5% of the net assets of the Fund (March 31, 2020 – 6.0%).

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	0.1	2.3
AA	3.0	7.1
A	32.0	30.7
BBB	45.1	43.0
Less than BBB	3.2	3.8
Unrated	14.5	11.8
Total	97.9	98.7

* 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	–	270,409	–	270,409	–	255,745	–	255,745
Exchange-traded funds/notes	1,326	–	–	1,326	1,155	–	–	1,155
Short-term investments	–	–	–	–	–	400	–	400
Total	1,326	270,409	–	271,735	1,155	256,145	–	257,300

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.