

## ***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](http://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 PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED INCOME FUND**

## STATEMENTS OF FINANCIAL POSITION

*In thousands (except per security figures)  
As at*

	Sep. 30 2020	Mar. 31 2020 (Audited)
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Investments at fair value	49,464	27,638
Cash and cash equivalents	5,823	2,229
Accrued interest receivable	436	170
Accounts receivable for investments sold	1,058	443
Accounts receivable for securities issued	1,114	418
Margin on derivatives	58	598
Unrealized gains on derivative contracts	715	53
<b>Total assets</b>	<b>58,668</b>	<b>31,549</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	2,148	838
Accounts payable for securities redeemed	9	45
Due to manager	1	—
Unrealized losses on derivative contracts	192	1,912
<b>Total liabilities</b>	<b>2,350</b>	<b>2,795</b>
<b>Net assets attributable to securityholders</b>	<b>56,318</b>	<b>28,754</b>
<b>Net assets attributable to securityholders per series (note 3)</b>		
Q Series	5,842	2,424
H Series	696	361
HW Series	1,013	1,986
I Series	8,376	5,777
L Series	3,565	1,931
N Series	5,014	1,091
QF Series	1,137	308
QFW Series	235	1
Series R	1	—
Series S	30,439	14,875
<b>Net assets attributable to securityholders per security (note 3)</b>		
Q Series	10.97	10.32
H Series	10.97	10.31
HW Series	10.99	10.33
I Series	10.97	10.30
L Series	10.98	10.32
N Series	10.31	9.68
QF Series	10.28	9.67
QFW Series	10.29	9.67
Series R	9.92	—
Series S	10.78	10.12

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020 \$	2019 \$
<b>Income</b>		
Interest income	529	357
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	156	903
Net unrealized gain (loss)	1,755	(50)
<b>Total income (loss)</b>	<b>2,440</b>	<b>1,210</b>
<b>Expenses (note 6)</b>		
Management fees	65	7
Management fee rebates	(1)	—
Administration fees	11	1
Interest charges	2	4
Commissions and other portfolio transaction costs	2	7
Independent Review Committee fees	—	—
<b>Expenses before amounts absorbed by Manager</b>	<b>79</b>	<b>19</b>
Expenses absorbed by Manager	—	—
<b>Net expenses</b>	<b>79</b>	<b>19</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>2,361</b>	<b>1,191</b>
Foreign withholding taxes	6	—
Foreign income taxes paid (recovered)	—	—
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>2,355</b>	<b>1,191</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Q Series	165	20
H Series	27	4
HW Series	134	4
I Series	469	1,131
L Series	136	25
N Series	110	—
QF Series	29	—
QFW Series	3	—
Series R	—	—
Series S	1,282	7
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Q Series	0.50	0.57
H Series	0.56	0.40
HW Series	0.91	0.28
I Series	0.72	0.68
L Series	0.57	0.66
N Series	0.44	—
QF Series	0.46	—
QFW Series	0.22	—
Series R	(0.06)	—
Series S	0.65	0.36

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

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

FIXED 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
	Q Series		H Series		HW Series		I Series	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
Beginning of period	2,424	33	361	54	1,986	11	5,777	16,162
Increase (decrease) in net assets from operations	165	20	27	4	134	4	469	1,131
Distributions paid to securityholders:								
Investment income	(10)	(4)	(3)	(1)	(10)	(2)	(81)	(314)
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	(1)	–	–	–	–	–	–	–
Total distributions paid to securityholders	(11)	(4)	(3)	(1)	(10)	(2)	(81)	(314)
Security transactions:								
Proceeds from securities issued	4,240	934	330	163	386	420	3,242	1,817
Reinvested distributions	11	4	3	1	10	2	81	314
Payments on redemption of securities	(987)	(94)	(22)	(31)	(1,493)	–	(1,112)	(456)
Total security transactions	3,264	844	311	133	(1,097)	422	2,211	1,675
<b>Total increase (decrease) in net assets</b>	<b>3,418</b>	<b>860</b>	<b>335</b>	<b>136</b>	<b>(973)</b>	<b>424</b>	<b>2,599</b>	<b>2,492</b>
<b>End of period</b>	<b>5,842</b>	<b>893</b>	<b>696</b>	<b>190</b>	<b>1,013</b>	<b>435</b>	<b>8,376</b>	<b>18,654</b>

<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>235</b>	<b>3</b>	<b>35</b>	<b>5</b>	<b>192</b>	<b>1</b>	<b>561</b>	<b>1,570</b>
Issued	387	89	30	16	36	39	298	171
Reinvested distributions	1	–	–	–	1	–	7	30
Redeemed	(91)	(9)	(2)	(3)	(137)	–	(103)	(42)
<b>Securities outstanding – end of period</b>	<b>532</b>	<b>83</b>	<b>63</b>	<b>18</b>	<b>92</b>	<b>40</b>	<b>763</b>	<b>1,729</b>

	L Series		N Series		QF Series		QFW Series	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
Beginning of period	1,931	192	1,091	–	308	–	1	–
Increase (decrease) in net assets from operations	136	25	110	–	29	–	3	–
Distributions paid to securityholders:								
Investment income	(10)	(4)	(30)	–	(4)	–	(1)	–
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(10)	(4)	(30)	–	(4)	–	(1)	–
Security transactions:								
Proceeds from securities issued	1,758	377	4,095	–	866	–	231	–
Reinvested distributions	10	4	30	–	4	–	1	–
Payments on redemption of securities	(260)	–	(282)	–	(66)	–	–	–
Total security transactions	1,508	381	3,843	–	804	–	232	–
<b>Total increase (decrease) in net assets</b>	<b>1,634</b>	<b>402</b>	<b>3,923</b>	<b>–</b>	<b>829</b>	<b>–</b>	<b>234</b>	<b>–</b>
<b>End of period</b>	<b>3,565</b>	<b>594</b>	<b>5,014</b>	<b>–</b>	<b>1,137</b>	<b>–</b>	<b>235</b>	<b>–</b>

<b>Increase (decrease) in fund securities (note 7):</b>	<b>Securities</b>		<b>Securities</b>		<b>Securities</b>		<b>Securities</b>	
<b>Securities outstanding – beginning of period</b>	<b>187</b>	<b>19</b>	<b>113</b>	<b>–</b>	<b>32</b>	<b>–</b>	<b>–</b>	<b>–</b>
Issued	162	36	399	–	85	–	23	–
Reinvested distributions	1	–	3	–	–	–	–	–
Redeemed	(25)	–	(28)	–	(6)	–	–	–
<b>Securities outstanding – end of period</b>	<b>325</b>	<b>55</b>	<b>487</b>	<b>–</b>	<b>111</b>	<b>–</b>	<b>23</b>	<b>–</b>

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

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

FIXED INCOME FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION (cont'd)

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

	2020	2019	2020	2019	2020	2019
	Series R		Series S		Total	
	\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>						
<b>Beginning of period</b>	–	–	14,875	–	28,754	16,452
Increase (decrease) in net assets from operations	–	–	1,282	7	2,355	1,191
Distributions paid to securityholders:						
Investment income	–	–	(240)	(3)	(389)	(328)
Capital gains	–	–	–	–	–	–
Management fee rebates	–	–	–	–	(1)	–
Total distributions paid to securityholders	–	–	(240)	(3)	(390)	(328)
Security transactions:						
Proceeds from securities issued	1	–	14,944	843	30,093	4,554
Reinvested distributions	–	–	240	3	390	328
Payments on redemption of securities	–	–	(662)	(3)	(4,884)	(584)
Total security transactions	1	–	14,522	843	25,599	4,298
<b>Total increase (decrease) in net assets</b>	<b>1</b>	<b>–</b>	<b>15,564</b>	<b>847</b>	<b>27,564</b>	<b>5,161</b>
<b>End of period</b>	<b>1</b>	<b>–</b>	<b>30,439</b>	<b>847</b>	<b>56,318</b>	<b>21,613</b>
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	–	–	1,469	–		
Issued	–	–	1,395	81		
Reinvested distributions	–	–	22	–		
Redeemed	–	–	(62)	–		
<b>Securities outstanding – end of period</b>	<b>–</b>	<b>–</b>	<b>2,824</b>	<b>81</b>		

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# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

FIXED INCOME FUND

## STATEMENTS OF CASH FLOWS

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

	2020 \$	2019 \$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	2,355	1,191
Adjustments for:		
Net realized loss (gain) on investments	(786)	(1,015)
Change in net unrealized loss (gain) on investments	(1,755)	60
Purchase of investments	(41,095)	(43,052)
Proceeds from sale and maturity of investments	20,135	39,578
Change in accrued interest receivable	(266)	(67)
Change in margin on derivatives	540	—
Change in due to manager	1	—
<b>Net cash from operating activities</b>	<b>(20,871)</b>	<b>(3,305)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	29,352	4,461
Payments on redemption of securities	(4,875)	(503)
Distributions paid net of reinvestments	—	—
<b>Net cash from financing activities</b>	<b>24,477</b>	<b>3,958</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,606</b>	<b>653</b>
Cash and cash equivalents at beginning of period	2,229	1,201
Effect of exchange rate fluctuations on cash and cash equivalents	(12)	(2)
<b>Cash and cash equivalents at end of period</b>	<b>5,823</b>	<b>1,852</b>
Cash	5,823	1,230
Cash equivalents	—	622
<b>Cash and cash equivalents at end of period</b>	<b>5,823</b>	<b>1,852</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	—	—
Foreign taxes paid	6	—
Interest received	263	290
Interest paid	2	4

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

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED INCOME FUND**

## SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
The AES Corp. 3.30% 07-15-2025 144A	United States	Corporate - Non Convertible	USD 50,000	70	71
AES Panama Generation Holdings SRL 4.38% 05-31-2030 Callable 2030	Panama	Corporate - Non Convertible	USD 545,000	739	746
Air Canada 2020-2 Class A Pass Through Trust 5.25% 04-01-2029	Canada	Corporate - Non Convertible	USD 310,000	408	424
Air Lease Corp. 2.25% 01-15-2023	United States	Corporate - Non Convertible	USD 155,000	203	208
Altice France 6.00% 02-06-2028 144A	Luxembourg	Corporate - Non Convertible	USD 565,000	736	716
Amdocs Ltd. 2.54% 06-15-2030	United States	Corporate - Non Convertible	USD 505,000	691	700
AmeriGas Partners LP 5.63% 05-20-2024 Callable 2024	United States	Corporate - Non Convertible	USD 85,000	109	120
Amgen Inc. 2.30% 02-25-2031	United States	Corporate - Non Convertible	USD 225,000	316	314
Apache Corp. 4.88% 11-15-2027 Callable 2027	United States	Corporate - Non Convertible	USD 490,000	649	618
Apple Inc. 2.65% 05-11-2050	United States	Corporate - Non Convertible	USD 165,000	228	230
Ardagh Packaging Finance PLC 4.13% 08-15-2026 Callable 2022 144A	Ireland	Corporate - Non Convertible	USD 280,000	380	378
Ardagh Packaging Finance PLC 5.25% 08-15-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 200,000	272	271
Ares Capital Corp. 4.20% 06-10-2024 Callable 2024	United States	Corporate - Non Convertible	USD 95,000	128	132
Ares Capital Corp. 4.25% 03-01-2025 Callable 2025	United States	Corporate - Non Convertible	USD 60,000	83	83
Ares Capital Corp. 3.25% 07-15-2025	United States	Corporate - Non Convertible	USD 90,000	117	119
AutoNation Inc. 4.75% 06-01-2030	United States	Corporate - Non Convertible	USD 40,000	55	63
Banco do Brasil SA of Cayman F/R 10-15-2068 Callable 2024 144A	Brazil	Corporate - Non Convertible	USD 400,000	507	502
Banco Mercantil del Norte SA F/R 09-27-2068	Mexico	Corporate - Non Convertible	USD 400,000	513	526
Bausch Health Cos. Inc. 7.00% 03-15-2024 Callable 2021 144A	United States	Corporate - Non Convertible	USD 75,000	106	103
Bausch Health Cos. Inc. 5.00% 01-30-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 236,000	307	307
Blackstone / GSO Secured Lending Fund 3.65% 07-14-2023 144A	United States	Corporate - Non Convertible	USD 61,000	81	82
Block Financial LLC 3.88% 08-15-2030 Callable 2030	United States	Corporate - Non Convertible	USD 630,000	846	847
The Boeing Co. 2.70% 05-01-2022	United States	Corporate - Non Convertible	USD 50,000	67	68
The Boeing Co. 5.04% 05-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 305,000	443	447
Braskem SA 5.88% 01-31-2050	Brazil	Corporate - Non Convertible	USD 360,000	447	437
BRF SA 4.88% 01-24-2030	Brazil	Corporate - Non Convertible	USD 365,000	500	498
Broadcom Inc. 3.46% 09-15-2026	United States	Corporate - Non Convertible	USD 78,000	101	114
Broadcom Inc. 4.11% 09-15-2028	United States	Corporate - Non Convertible	USD 79,000	101	118
CCO Holdings LLC 5.13% 05-01-2027 Callable 2022 144A	United States	Corporate - Non Convertible	USD 95,000	130	133
CCO Holdings LLC 4.25% 02-01-2031 Callable 2025 144A	United States	Corporate - Non Convertible	USD 290,000	394	400
Cemex SAB de CV 7.75% 04-16-2026 Callable 2021	Mexico	Corporate - Non Convertible	USD 230,000	327	324
Cemex SAB de CV 7.38% 06-05-2027 144A	Mexico	Corporate - Non Convertible	USD 400,000	557	575
Chase Mortgage Finance Corp. 3.05% 07-25-2049	United States	Mortgage Backed	USD 105,795	140	141
Cheniere Energy Inc. 4.63% 10-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 45,000	59	62
CIT Group Inc. 5.00% 08-15-2022 Callable	United States	Corporate - Non Convertible	USD 165,000	223	227
CIT Group Inc. F/R 06-19-2024	United States	Corporate - Non Convertible	USD 130,000	176	175
Cleveland-Cliffs Inc. 6.75% 03-15-2026 144A	United States	Corporate - Non Convertible	USD 250,000	336	340
CNH Industrial Capital LLC 1.88% 01-15-2026	United States	Corporate - Non Convertible	USD 140,000	187	186
CommScope Technologies Finance LLC 6.00% 03-01-2026 Callable 2022 144A	United States	Corporate - Non Convertible	USD 562,000	785	781
Consolidated Edison Co. of New York Inc. 3.35% 04-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 145,000	203	223
Corp Nacional del Cobre de Chile 3.70% 01-30-2050 Callable 2049	Chile	Corporate - Non Convertible	USD 240,000	315	338
Crown Castle International Corp. 3.30% 07-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 60,000	84	88
CSC Holdings LLC 3.38% 02-15-2031 Callable 2026 144A	United States	Corporate - Non Convertible	USD 200,000	268	258

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED 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)
<b>BONDS (cont'd)</b>					
Danaher Corp. 1.80% 09-18-2049	United States	Corporate - Non Convertible	EUR 100,000	146	156
Delta Air Lines Inc. 4.50% 10-20-2025	United States	Corporate - Non Convertible	USD 125,000	165	171
Diamond 1 Finance Corp. 6.02% 06-15-2026 Callable 2026 144A	United States	Corporate - Non Convertible	USD 270,000	390	423
Discovery Inc. 3.63% 05-15-2030	United States	Corporate - Non Convertible	USD 105,000	147	155
DISH Network Corp. 3.38% 08-15-2026 Conv.	United States	Corporate - Convertible	USD 110,000	137	135
The Dow Chemical Co. 2.10% 11-15-2030	United States	Corporate - Non Convertible	USD 360,000	471	473
DPL Inc. 4.13% 07-01-2025	United States	Corporate - Non Convertible	USD 249,000	341	347
Embarq Corp. 8.00% 06-01-2036	United States	Corporate - Non Convertible	USD 55,000	83	87
Embraer SA 6.95% 01-17-2028	Brazil	Corporate - Non Convertible	USD 385,000	506	520
Equifax Inc. 3.10% 05-15-2030 Callable 2030	United States	Corporate - Non Convertible	USD 105,000	149	153
First Quantum Minerals Ltd. 6.50% 03-01-2024 Callable 2020 144A	Zambia	Corporate - Non Convertible	USD 330,000	435	422
First Quantum Minerals Ltd. 6.88% 10-15-2027 Callable 2023 144A	Zambia	Corporate - Non Convertible	USD 510,000	671	657
Fiserv Inc. 2.25% 06-01-2027	United States	Corporate - Non Convertible	USD 155,000	217	218
Flex Ltd. 4.88% 05-12-2030	United States	Corporate - Non Convertible	USD 485,000	703	736
FMC Corp. 3.45% 10-01-2029	United States	Corporate - Non Convertible	USD 85,000	113	127
Ford Motor Co. 8.50% 04-21-2023	United States	Corporate - Non Convertible	USD 115,000	162	168
Ford Motor Co. 6.625% 10-01-2028	United States	Corporate - Non Convertible	USD 66,000	95	95
Freeport-McMoRan Inc. 4.13% 03-01-2028	United States	Corporate - Non Convertible	USD 240,000	305	325
FS KKR Capital Corp. 4.75% 05-15-2022 Callable 2022	United States	Corporate - Non Convertible	USD 61,000	83	83
FS KKR Capital Corp. 4.13% 02-01-2025 Callable 2025	United States	Corporate - Non Convertible	USD 85,000	112	112
FS KKR Capital Corp. 4.63% 07-15-2024 Callable 2024	United States	Corporate - Non Convertible	USD 35,000	47	47
The Gap Inc. 8.63% 05-15-2025 Callable 2022 144A	United States	Corporate - Non Convertible	USD 330,000	483	485
General Electric Co. 3.63% 05-01-2030 Callable 2030	United States	Corporate - Non Convertible	USD 395,000	541	545
General Motors Co. 6.80% 10-01-2027 Callable 2027	United States	Corporate - Non Convertible	USD 70,000	99	114
General Motors Co. 6.25% 10-02-2043	United States	Corporate - Non Convertible	USD 160,000	228	253
General Motors Co. 5.20% 04-01-2045	United States	Corporate - Non Convertible	USD 300,000	440	431
General Motors Financial Co. In 2.70% 08-20-2027	United States	Corporate - Non Convertible	USD 360,000	474	477
Government of Australia 1.75% 06-21-2051	Australia	Foreign Governments	AUD 915,000	839	871
Government of Brazil 10.00% 01-01-2023	Brazil	Foreign Governments	BRL 310,500	889	819
Government of Hungary 6.75% 10-22-2028	Hungary	Foreign Governments	HUF 40,000,000	248	233
Government of Hungary 3.00% 08-21-2030	Hungary	Foreign Governments	HUF 218,000,000	1,061	993
Government of Italy 3.85% 09-01-2049	Italy	Foreign Governments	EUR 585,000	1,247	1,354
Government of Japan 0.40% 06-20-2049	Japan	Foreign Governments	JPY 13,000,000	173	157
Government of Saudi Arabia 2.50% 02-03-2027 144A	Saudi Arabia	Foreign Governments	USD 200,000	261	279
Group 1 Automotive Inc. 4.00% 08-15-2028 Callable 2023 144A	United States	Corporate - Non Convertible	USD 450,000	603	593
GS Mortgage Securities Trust F/R 10-15-2036 144A	United States	Mortgage Backed	USD 420,000	560	539
Icahn Enterprises LP 6.25% 05-15-2026 Callable 2022	United States	Corporate - Non Convertible	USD 61,000	85	85
Intercontinental Exchange Inc. 1.85% 09-15-2032	United States	Corporate - Non Convertible	USD 240,000	315	320
Iron Mountain Inc. 5.25% 03-15-2028 Callable 2022 144A	United States	Corporate - Non Convertible	USD 615,000	839	853
Itau Unibanco Holding SA F/R 06-12-2068	Brazil	Corporate - Non Convertible	USD 610,000	785	787
Jabil Inc. 3.60% 01-15-2030 Callable 2029	United States	Corporate - Non Convertible	USD 525,000	709	749
JD.com Inc. 3.38% 01-14-2030	China	Corporate - Non Convertible	USD 240,000	344	347
L Brands Inc. 5.625% 10-15-2023	United States	Corporate - Non Convertible	USD 40,000	56	56
Liberty Interactive LLC 8.25% 02-01-2030	United States	Corporate - Non Convertible	USD 80,000	107	114
Main Street Capital Corp. 5.20% 05-01-2024	United States	Corporate - Non Convertible	USD 60,000	85	84
Markel Corp. 3.35% 09-17-2029	United States	Corporate - Non Convertible	USD 35,000	46	52
Methanex Corp. 5.13% 10-15-2027 Callable 2027	Canada	Corporate - Non Convertible	USD 198,000	261	262
Murphy Oil Corp. 6.88% 08-15-2024 Callable	United States	Corporate - Non Convertible	USD 445,000	591	552
Nissan Motor Co. Ltd. 4.35% 09-17-2027	Japan	Corporate - Non Convertible	USD 385,000	508	515

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED 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)
<b>BONDS (cont'd)</b>					
NVIDIA Corp. 3.50% 04-01-2040 Callable 2039	United States	Corporate - Non Convertible	USD 35,000	50	55
NVIDIA Corp. 3.50% 04-01-2050 Callable 2049	United States	Corporate - Non Convertible	USD 55,000	77	86
NXP BV 3.40% 05-01-2030 Callable 2030 144A	Netherlands	Corporate - Non Convertible	USD 110,000	152	161
Occidental Petroleum Corp. 6.63% 09-01-2030	United States	Corporate - Non Convertible	USD 360,000	486	442
Occidental Petroleum Corp. 4.20% 03-15-2048 Callable 2047	United States	Corporate - Non Convertible	USD 285,000	272	258
Oracle Corp. 3.60% 04-01-2050 Callable 2049	United States	Corporate - Non Convertible	USD 190,000	268	285
Owens Corning 3.88% 06-01-2030	United States	Corporate - Non Convertible	USD 225,000	315	340
Owl Rock Capital Corp. 4.00% 03-30-2025	United States	Corporate - Non Convertible	USD 355,000	474	479
Owl Rock Technology Finance Co. 4.75% 12-15-2025	United States	Corporate - Non Convertible	USD 135,000	177	179
Petrobras Global Finance BV 5.60% 01-03-2031 Callable 2030	Brazil	Corporate - Non Convertible	USD 635,000	878	905
Petroleos Mexicanos 6.95% 01-28-2060	Mexico	Corporate - Non Convertible	USD 430,000	453	437
PetSmart Inc. 5.88% 06-01-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 270,000	363	369
Scientific Games Corp. 5.00% 10-15-2025	United States	Corporate - Non Convertible	USD 80,000	108	108
Sinclair Broadcast Group Inc. 5.88% 03-15-2026	United States	Corporate - Non Convertible	USD 505,000	661	666
Sinclair Television Group Inc. 5.63% 08-01-2024 Callable 2020 144A	United States	Corporate - Non Convertible	USD 123,000	161	163
Smithfield Foods Inc. 3.00% 10-15-2030	United States	Corporate - Non Convertible	USD 90,000	117	121
Southwest Airlines Co. 5.25% 05-04-2025 Callable 2025	United States	Corporate - Non Convertible	USD 75,000	104	110
Southwest Airlines Co. 5.13% 06-15-2027	United States	Corporate - Non Convertible	USD 295,000	410	430
Sprint Corp. 7.25% 09-15-2021	United States	Corporate - Non Convertible	USD 255,000	354	355
Sprint Spectrum Co. LLC 3.36% 03-20-2023	United States	Corporate - Non Convertible	USD 76,250	102	103
Steel Dynamics Inc. 4.13% 09-15-2025 Callable 2020	United States	Corporate - Non Convertible	USD 100,000	136	136
Steel Dynamics Inc. 3.25% 01-15-2031	United States	Corporate - Non Convertible	USD 115,000	154	165
Symantec Corp. 5.00% 04-15-2025 Callable 2020 144A	United States	Corporate - Non Convertible	USD 305,000	413	417
Teck Resources Ltd. 3.90% 07-15-2030	Canada	Corporate - Non Convertible	USD 425,000	579	593
Tencent Holdings Ltd. 2.39% 06-03-2030 144A	China	Corporate - Non Convertible	USD 200,000	272	272
Tencent Holdings Ltd. 3.24% 06-03-2050 144A	China	Corporate - Non Convertible	USD 280,000	413	378
Teva Pharmaceutical Industries Ltd. 7.13% 01-31-2025 Callable 2024 144A	Israel	Corporate - Non Convertible	USD 200,000	265	280
Teva Pharmaceutical Industries Ltd. 7.13% 01-31-2025	Israel	Corporate - Non Convertible	USD 360,000	511	504
T-Mobile US Inc. 2.55% 02-15-2031 Callable 2030 144A	United States	Corporate - Non Convertible	USD 260,000	353	360
United States Treasury F/R 10-31-2021	United States	Foreign Governments	USD 3,335,000	4,475	4,453
United States Treasury 2.38% 05-15-2029	United States	Foreign Governments	USD 1,060,000	1,534	1,624
Universal Health Services Inc. 2.65% 10-15-2030	United States	Corporate - Non Convertible	USD 255,000	335	338
Vale Overseas Ltd. 3.75% 07-08-2030 Callable 2030	Brazil	Corporate - Non Convertible	USD 60,000	81	82
VMware Inc. 4.70% 05-15-2030 Callable 2030	United States	Corporate - Non Convertible	USD 245,000	346	386
Weibo Corp. 3.38% 07-08-2030	China	Corporate - Non Convertible	USD 470,000	638	640
Xiaomi Best Time International Ltd. 3.38% 04-29-2030	China	Corporate - Non Convertible	USD 545,000	751	762
<b>Total bonds</b>				<b>48,980</b>	<b>49,464</b>
Transaction costs				—	—
<b>Total investments</b>				<b>48,980</b>	<b>49,464</b>
Derivative instruments (see schedule of derivative instruments)					523
Cash and cash equivalents					5,823
Other assets less liabilities					508
<b>Total net assets</b>					<b>56,318</b>



# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED INCOME FUND**

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020	
Portfolio Allocation	% of NAV
Bonds	92.1
<i>Bonds</i>	87.8
<i>Long futures</i>	4.3
Cash and short-term investments	6.2
Other assets (liabilities)	1.7
Swaps	0.0

Regional Allocation	% of NAV
United States	58.7
Brazil	8.1
Cash and short-term investments	6.2
China	4.3
Mexico	3.3
Italy	2.4
Canada	2.3
Hungary	2.2
Zambia	1.9
Other assets (liabilities)	1.7
Australia	1.5
Other	1.5
Israel	1.4
Panama	1.3
Luxembourg	1.3
Japan	1.2
Ireland	0.7

Sector Allocation	% of NAV
Corporate bonds	67.4
Foreign government bonds	23.4
Cash and short-term investments	6.2
Other assets (liabilities)	1.7
Mortgage backed	1.2
Other	0.1

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	103.4
<i>Bonds</i>	96.1
<i>Long futures</i>	7.3
Cash and short-term investments	0.3
Swaps	(0.2)
Other assets (liabilities)	(3.5)

Regional Allocation	% of NAV
United States	82.7
Italy	4.4
Canada	3.2
Portugal	2.6
Spain	2.0
Switzerland	1.4
Australia	1.3
Ireland	1.0
Germany	0.9
Israel	0.9
France	0.9
Saudi Arabia	0.9
Austria	0.8
Cash and short-term investments	0.3
Other	0.2
Other assets (liabilities)	(3.5)

Sector Allocation	% of NAV
Corporate bonds	56.0
Foreign government bonds	43.9
Mortgage backed	2.6
Federal bonds	1.1
Cash and short-term investments	0.3
Other	(0.4)
Other assets (liabilities)	(3.5)

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at September 30, 2020

### Schedule of Credit Default Swaps

Counterparty Credit Rating	Counterparty	Number of Contracts	Maturity Date	Referenced Debt	Fund Pays Fixed Payments	Notional Value (\$ 000s)	Unrealized Gains (\$ 000s)
A	Citigroup	1	Dec. 20, 2024	iTraxx Europe Series 32 Version 1	1.00%	242	4
Unrealized Gains						242	4
<b>Total swap contracts</b>						<b>242</b>	<b>4</b>

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (\$ 000s)
10	Euro-BTP Futures December 2020	Dec. 8, 2020	145.66 EUR	2,303	30
Unrealized Gains				2,303	30
<b>Total futures contracts</b>				<b>2,303</b>	<b>30</b>

\*Notional value represents the exposure to the underlying instruments as at September 30, 2020

### Schedule of Forward Currency Contracts

Counterparty Credit Rating	Bought (\$ 000s)	Sold (\$ 000s)	Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	572 U.S. dollar	(480) Euro	Oct. 2, 2020	(761)	(750)	11
A	876 U.S. dollar	(740) Euro	Oct. 2, 2020	(1,166)	(1,155)	11
A	1,040 Euro	(1,217) U.S. dollar	Oct. 2, 2020	1,620	1,623	3
A	38,310 Canadian dollar	(28,368) U.S. dollar	Oct. 6, 2020	(38,308)	(37,768)	540
A	800 Canadian dollar	(590) U.S. dollar	Oct. 6, 2020	(800)	(785)	15
A	212 U.S. dollar	(280) Canadian dollar	Oct. 6, 2020	280	283	3
A	1,450 Canadian dollar	(1,082) U.S. dollar	Oct. 6, 2020	(1,450)	(1,440)	10
A	590 U.S. dollar	(3,310) Brazilian real	Oct. 9, 2020	(786)	(785)	1
A	49,050 Canadian dollar	(36,824) U.S. dollar	Nov. 6, 2020	(49,039)	(49,025)	14
A	1,106 U.S. dollar	(86,000) Russian ruble	Nov. 17, 2020	(1,473)	(1,465)	8
A	891 U.S. dollar	(270,000) Hungarian forint	Nov. 18, 2020	(1,186)	(1,158)	28
A	774 U.S. dollar	(580) British pound	Nov. 20, 2020	(1,030)	(997)	33
A	538 U.S. dollar	(750) Australian dollar	Nov. 25, 2020	(716)	(715)	1
AA	88 U.S. dollar	(120) Australian dollar	Nov. 25, 2020	(117)	(114)	3
Unrealized Gains						681
A	180 Euro	(213) U.S. dollar	Oct. 2, 2020	284	281	(3)
A	477 U.S. dollar	(640) Canadian dollar	Oct. 6, 2020	640	635	(5)
A	179 U.S. dollar	(240) Canadian dollar	Oct. 6, 2020	240	238	(2)
A	270 U.S. dollar	(360) Canadian dollar	Oct. 6, 2020	360	359	(1)
A	2,290 Canadian dollar	(1,725) U.S. dollar	Oct. 6, 2020	(2,290)	(2,297)	(7)
A	810 Canadian dollar	(614) U.S. dollar	Oct. 6, 2020	(810)	(818)	(8)
A	1,640 Canadian dollar	(1,252) U.S. dollar	Oct. 6, 2020	(1,640)	(1,667)	(27)
A	1,900 Canadian dollar	(1,441) U.S. dollar	Oct. 6, 2020	(1,900)	(1,918)	(18)
A	680 Canadian dollar	(516) U.S. dollar	Oct. 6, 2020	(680)	(687)	(7)
A	890 Canadian dollar	(676) U.S. dollar	Oct. 6, 2020	(890)	(900)	(10)

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED INCOME FUND**

## SCHEDULE OF DERIVATIVE INSTRUMENTS (cont'd)

*As at September 30, 2020*

### Schedule of Forward Currency Contracts (cont'd)

Counterparty Credit Rating	Bought (\$ 000s)		Sold (\$ 000s)		Settlement Date	Contract Cost (\$ 000s)	Current Fair Value (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
A	530	Canadian dollar	(398)	U.S. dollar	Oct. 6, 2020	(530)	(530)	—
A	35,867	U.S. dollar	(47,780)	Canadian dollar	Oct. 6, 2020	47,778	47,752	(26)
A	52,000	Russian ruble	(704)	U.S. dollar	Nov. 17, 2020	937	886	(51)
A	30,000	Russian ruble	(400)	U.S. dollar	Nov. 17, 2020	532	511	(21)
A	4,000	Russian ruble	(53)	U.S. dollar	Nov. 17, 2020	70	68	(2)
A	580	British pound	(749)	U.S. dollar	Nov. 20, 2020	997	997	—
A	113	U.S. dollar	(12,000)	Japanese yen	Nov. 24, 2020	(151)	(152)	(1)
A	1,173	U.S. dollar	(1,000)	Euro	Jan. 12, 2021	(1,562)	(1,565)	(3)
Unrealized (Losses)								(192)
<b>Total forward currency contracts</b>								<b>489</b>
<b>Total derivative instruments at fair value</b>								<b>523</b>

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

FIXED 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 PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED 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 PATHWAYS GLOBAL MULTI SECTOR BOND FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

**FIXED 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.

**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.

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

### 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.



## NOTES TO FINANCIAL STATEMENTS

### 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.

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

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## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Fund Formation and Series Information

Date of Formation October 12, 2018

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in 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](http://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.

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

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 <sup>(3)</sup>	December 18, 2018	1.55%	0.20%	10.97	10.32
H Series	December 18, 2018	1.05%	0.15%	10.97	10.31
HW Series	December 18, 2018	0.85%	0.15%	10.99	10.33
I Series	December 18, 2018	— <sup>(1)</sup>	— <sup>(1)</sup>	10.97	10.30
L Series	December 18, 2018	1.35%	0.15%	10.98	10.32
N Series	October 28, 2019	— <sup>(2)</sup>	— <sup>(2)</sup>	10.31	9.68
QF Series	October 28, 2019	1.05%	0.20%	10.29	9.67
QFW Series	October 28, 2019	0.85%	0.15%	10.29	9.67
Series R	September 9, 2020	— *	— *	9.92	—
Series S	May 21, 2019	— <sup>(2)</sup>	0.02%	10.78	10.12

\* Not applicable.

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

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

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



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## NOTES TO FINANCIAL STATEMENTS

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

#### (b) Investments by Mackenzie and Affiliates

As at September 30, 2020, The Canada Life Assurance Company, an affiliate of Mackenzie, other funds managed by Mackenzie and Segregated funds managed by The Canada Life Assurance Company had an investment of \$10, \$1 and \$30,439 (March 31, 2020 – \$8, \$Nil and \$14,875), respectively, in the Fund.

#### (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

As at September 30, 2020 and March 31, 2020, the Fund did not have any open securities lending, repurchase or reverse repurchase transactions.

#### (e) Name change

Effective October 21, 2019, the Fund was renamed Canada Life Pathways Global Multi Sector Bond Fund.

#### (f) Offsetting of Financial Assets and Liabilities

The table below presents financial assets and financial liabilities that are subject to master netting arrangements or other similar agreements and the net impact on the Fund's Statements of Financial Position if all set-off rights were exercised as part of future events such as bankruptcy or termination of contracts. No amounts were offset in the financial statements.

September 30, 2020				
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	570	(10)	—	560
Unrealized losses on derivative contracts	(10)	10	—	—
Liability for options written	—	—	—	—
Total	560	—	—	560

March 31, 2020				
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	46	(24)	—	22
Unrealized losses on derivative contracts	(79)	24	—	(55)
Liability for options written	—	—	—	—
Total	(33)	—	—	(33)

#### (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.

#### (h) Risks Associated with Financial Instruments

##### i. Risk exposure and management

The Fund seeks a high level of income in all market conditions over a full market cycle, with a secondary objective of capital preservation, by investing mainly in fixed income securities globally.

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

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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)

##### ii. Currency risk

The table below indicates currencies to which the Fund had significant exposure as at period end in Canadian dollar terms, including the underlying principal amount of any derivative instruments. Other financial assets and liabilities (including accrued interest and dividends receivable, and receivables/payables for investments sold/purchased) that are denominated in foreign currencies do not expose the Fund to significant currency risk.

September 30, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	44,881	5,660	(44,078)	6,463
Hungarian forint	1,226	—	(1,158)	68
Australian dollar	871	—	(829)	42
Brazilian real	819	—	(785)	34
Japanese yen	157	—	(152)	5
Euro	1,510	1	(1,536)	(25)
British pound	—	(1,057)	—	(1,057)
Total	49,464	4,604	(48,538)	5,530
% of Net Assets	87.8	8.2	(86.2)	9.8

March 31, 2020				
Currency	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure*
U.S. dollar	24,806	888	(22,744)	2,950
Euro	2,351	253	(2,338)	266
Japanese yen	170	—	(158)	12
Egyptian pound	—	5	—	5
Total	27,327	1,146	(25,240)	3,233
% of Net Assets	95.0	4.0	(87.8)	11.2

\* Includes both monetary and non-monetary financial instruments

As at September 30, 2020, had the Canadian dollar increased or decreased by 5% relative to all foreign currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$277 or 0.5% of total net assets (March 31, 2020 – \$162 or 0.6%). In practice, the actual trading results may differ and the difference could be material.

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

Term to Maturity	September 30, 2020 (\$)		March 31, 2020 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	355	2,303	—	2,129
1-5 years	11,577	—	14,886	—
5-10 years	25,570	—	6,221	—
Greater than 10 years	11,962	—	6,531	—
Total	49,464	2,303	27,638	2,129

# CANADA LIFE PATHWAYS GLOBAL MULTI SECTOR BOND FUND

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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)

##### ii. Currency risk (cont'd)

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 \$3,479 or 6.2% of total net assets (March 31, 2020 – \$2,066 or 7.2%). 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 10.8% of the net assets of the Fund (March 31, 2020 – 27.2%).

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

Bond Rating*	September 30, 2020	March 31, 2020
	% of Net Assets	% of Net Assets
AAA	1.5	1.1
AA	11.2	30.8
A	5.0	22.3
BBB	31.1	25.1
Less than BBB	32.2	11.4
Unrated	6.8	5.4
Total	87.8	96.1

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

#### (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	–	49,464	–	49,464	–	27,638	–	27,638
Derivative assets	30	685	–	715	–	53	–	53
Derivative liabilities	–	(192)	–	(192)	(59)	(1,853)	–	(1,912)
Total	30	49,957	–	49,987	(59)	25,838	–	25,779

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.

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.