

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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](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 INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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	34,710	19,018
Cash and cash equivalents	1,007	218
Dividends receivable	21	22
Accounts receivable for investments sold	–	–
Accounts receivable for securities issued	214	10
<b>Total assets</b>	<b>35,952</b>	<b>19,268</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable for investments purchased	1	8
Accounts payable for securities redeemed	1	20
Due to manager	1	–
<b>Total liabilities</b>	<b>3</b>	<b>28</b>
<b>Net assets attributable to securityholders</b>	<b>35,949</b>	<b>19,240</b>
<b>Net assets attributable to securityholders per series (note 3)</b>		
Q Series	5,950	2,996
H Series	566	206
HW Series	794	631
I Series	13,601	8,883
L Series	1,464	1,107
N Series	2,152	429
QF Series	507	151
QFW Series	172	31
Series S	10,743	4,806
<b>Net assets attributable to securityholders per security (note 3)</b>		
Q Series	12.90	10.79
H Series	13.07	10.90
HW Series	13.10	10.92
I Series	13.23	10.99
L Series	12.93	10.82
N Series	11.70	9.72
QF Series	11.59	9.67
QFW Series	11.62	9.69
Series S	11.70	9.72

## STATEMENTS OF COMPREHENSIVE INCOME

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

	2020 \$	2019 \$
<b>Income</b>		
Dividends	384	179
Interest income	1	2
Other changes in fair value of investments and other net assets		
Net realized gain (loss)	(324)	(91)
Net unrealized gain (loss)	4,969	49
<b>Total income (loss)</b>	<b>5,030</b>	<b>139</b>
<b>Expenses (note 6)</b>		
Management fees	74	22
Management fee rebates	(1)	–
Administration fees	11	3
Commissions and other portfolio transaction costs	13	6
Independent Review Committee fees	–	–
<b>Expenses before amounts absorbed by Manager</b>	<b>97</b>	<b>31</b>
Expenses absorbed by Manager	–	–
<b>Net expenses</b>	<b>97</b>	<b>31</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>		
	<b>4,933</b>	<b>108</b>
Foreign withholding taxes	45	21
Foreign income taxes paid (recovered)	–	–
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>4,888</b>	<b>87</b>
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>		
Q Series	724	(21)
H Series	64	(1)
HW Series	133	(2)
I Series	2,117	97
L Series	235	(5)
N Series	155	–
QF Series	57	–
QFW Series	17	–
Series S	1,386	19
<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Q Series	2.00	(0.14)
H Series	1.96	(0.19)
HW Series	2.40	(0.10)
I Series	2.27	0.19
L Series	2.11	(0.16)
N Series	1.51	–
QF Series	1.86	–
QFW Series	1.70	–
Series S	1.93	0.55

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



# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## STATEMENTS OF CHANGES IN FINANCIAL POSITION

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

	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	Q Series		H Series		HW Series		I Series		L Series	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>2,996</b>	<b>689</b>	<b>206</b>	<b>1</b>	<b>631</b>	<b>137</b>	<b>8,883</b>	<b>6,807</b>	<b>1,107</b>	<b>196</b>
Increase (decrease) in net assets from operations	724	(21)	64	(1)	133	(2)	2,117	97	235	(5)
Distributions paid to securityholders:										
Investment income	–	(12)	(1)	(2)	(2)	(7)	(64)	(109)	(1)	(5)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	(1)	–	–	–	–	–	–	–	–	–
Total distributions paid to securityholders	(1)	(12)	(1)	(2)	(2)	(7)	(64)	(109)	(1)	(5)
Security transactions:										
Proceeds from securities issued	2,513	1,079	300	196	378	504	4,517	3,845	369	421
Reinvested distributions	1	12	1	2	2	7	63	107	1	5
Payments on redemption of securities	(283)	(129)	(4)	(49)	(348)	(1)	(1,915)	(5,770)	(247)	(7)
Total security transactions	2,231	962	297	149	32	510	2,665	(1,818)	123	419
<b>Total increase (decrease) in net assets</b>	<b>2,954</b>	<b>929</b>	<b>360</b>	<b>146</b>	<b>163</b>	<b>501</b>	<b>4,718</b>	<b>(1,830)</b>	<b>357</b>	<b>409</b>
<b>End of period</b>	<b>5,950</b>	<b>1,618</b>	<b>566</b>	<b>147</b>	<b>794</b>	<b>638</b>	<b>13,601</b>	<b>4,977</b>	<b>1,464</b>	<b>605</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>278</b>	<b>62</b>	<b>19</b>	<b>–</b>	<b>58</b>	<b>12</b>	<b>808</b>	<b>614</b>	<b>102</b>	<b>18</b>
Issued	206	97	24	17	30	45	366	343	30	38
Reinvested distributions	–	1	–	–	–	1	5	10	–	–
Redeemed	(23)	(12)	–	(4)	(27)	–	(151)	(515)	(19)	(1)
<b>Securities outstanding – end of period</b>	<b>461</b>	<b>148</b>	<b>43</b>	<b>13</b>	<b>61</b>	<b>58</b>	<b>1,028</b>	<b>452</b>	<b>113</b>	<b>55</b>
	N Series		QF Series		QFW Series		Series S		Total	
	\$		\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>										
<b>Beginning of period</b>	<b>429</b>	<b>–</b>	<b>151</b>	<b>–</b>	<b>31</b>	<b>–</b>	<b>4,806</b>	<b>–</b>	<b>19,240</b>	<b>7,830</b>
Increase (decrease) in net assets from operations	155	–	57	–	17	–	1,386	19	4,888	87
Distributions paid to securityholders:										
Investment income	(5)	–	(1)	–	–	–	(43)	(14)	(117)	(149)
Capital gains	–	–	–	–	–	–	–	–	–	–
Management fee rebates	–	–	–	–	–	–	–	–	(1)	–
Total distributions paid to securityholders	(5)	–	(1)	–	–	–	(43)	(14)	(118)	(149)
Security transactions:										
Proceeds from securities issued	1,598	–	316	–	124	–	5,371	1,227	15,486	7,272
Reinvested distributions	5	–	1	–	–	–	43	14	117	147
Payments on redemption of securities	(30)	–	(17)	–	–	–	(820)	(3)	(3,664)	(5,959)
Total security transactions	1,573	–	300	–	124	–	4,594	1,238	11,939	1,460
<b>Total increase (decrease) in net assets</b>	<b>1,723</b>	<b>–</b>	<b>356</b>	<b>–</b>	<b>141</b>	<b>–</b>	<b>5,937</b>	<b>1,243</b>	<b>16,709</b>	<b>1,398</b>
<b>End of period</b>	<b>2,152</b>	<b>–</b>	<b>507</b>	<b>–</b>	<b>172</b>	<b>–</b>	<b>10,743</b>	<b>1,243</b>	<b>35,949</b>	<b>9,228</b>
<b>Increase (decrease) in fund securities (note 7):</b>										
<b>Securities outstanding – beginning of period</b>	<b>44</b>	<b>–</b>	<b>16</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>494</b>	<b>–</b>		
Issued	143	–	29	–	12	–	498	127		
Reinvested distributions	–	–	–	–	–	–	4	1		
Redeemed	(3)	–	(1)	–	–	–	(78)	–		
<b>Securities outstanding – end of period</b>	<b>184</b>	<b>–</b>	<b>44</b>	<b>–</b>	<b>15</b>	<b>–</b>	<b>918</b>	<b>128</b>		

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



# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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	4,888	87
Adjustments for:		
Net realized loss (gain) on investments	305	77
Change in net unrealized loss (gain) on investments	(4,969)	(49)
Purchase of investments	(12,080)	(2,432)
Proceeds from sale and maturity of investments	1,045	1,352
Change in dividends receivable	1	4
Change in due to manager	1	–
<b>Net cash from operating activities</b>	<b>(10,809)</b>	<b>(961)</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	15,194	7,028
Payments on redemption of securities	(3,595)	(5,825)
Distributions paid net of reinvestments	(1)	(2)
<b>Net cash from financing activities</b>	<b>11,598</b>	<b>1,201</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>789</b>	<b>240</b>
Cash and cash equivalents at beginning of period	218	188
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>1,007</b>	<b>428</b>
Cash	1,007	428
Cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>1,007</b>	<b>428</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	385	183
Foreign taxes paid	45	21
Interest received	1	2
Interest paid	–	–

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# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## SCHEDULE OF INVESTMENTS

As at September 30, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>EQUITIES</b>					
AIA Group Ltd.	Hong Kong	Financials	90,200	1,115	1,183
ASML Holding NV	Netherlands	Information Technology	3,332	1,243	1,635
Atlas Copco AB A	Sweden	Industrials	15,320	707	971
Daikin Industries Ltd.	Japan	Industrials	6,000	1,148	1,473
Deutsche Boerse AG	Germany	Financials	3,795	841	887
Deutsche Wohnen AG	Germany	Real Estate	12,136	705	808
Ferguson PLC	Switzerland	Industrials	9,708	1,031	1,301
HDFC Bank Ltd. ADR	India	Financials	34,449	2,249	2,290
Hoya Corp.	Japan	Health Care	10,800	1,202	1,621
Kerry Group PLC A	Ireland	Consumer Staples	7,628	1,224	1,303
Keyence Corp.	Japan	Information Technology	2,900	1,285	1,800
Koninklijke Philips NV	Netherlands	Health Care	19,766	1,195	1,240
Nestlé SA Reg.	Switzerland	Consumer Staples	9,053	1,248	1,430
Novo Nordisk AS B	Denmark	Health Care	16,197	1,226	1,498
Ping An Insurance (Group) Co. of China Ltd. H	China	Financials	63,500	908	872
Prosus NV	Netherlands	Consumer Discretionary	8,627	904	1,059
PT Bank Central Asia TBK	Indonesia	Financials	300,100	831	729
Samsung Electronics Co. Ltd. GDR	South Korea	Information Technology	640	919	1,079
SAP AG	Germany	Information Technology	8,152	1,375	1,690
Siemens AG	Germany	Industrials	8,079	1,240	1,360
Siemens Energy AG	Germany	Industrials	4,039	134	145
Sony Corp.	Japan	Consumer Discretionary	13,500	1,128	1,375
SSE PLC	United Kingdom	Utilities	40,628	959	843
Swedish Match AB	Sweden	Consumer Staples	19,204	1,471	2,087
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	Taiwan	Information Technology	13,487	950	1,456
Tsuruha Holdings Inc.	Japan	Consumer Staples	3,100	619	584
Unilever NV CVA	United Kingdom	Consumer Staples	16,852	1,253	1,354
Vinci SA	France	Industrials	5,733	734	637
<b>Total equities</b>				<b>29,844</b>	<b>34,710</b>
Transaction costs				(35)	—
<b>Total investments</b>				<b>29,809</b>	<b>34,710</b>
Cash and cash equivalents					1,007
Other assets less liabilities					232
<b>Total net assets</b>					<b>35,949</b>

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## SUMMARY OF INVESTMENT PORTFOLIO

September 30, 2020	
Portfolio Allocation	% of NAV
Equities	96.6
Cash and short-term investments	2.8
Other assets (liabilities)	0.6

Regional Allocation	% of NAV
Japan	19.2
Germany	13.6
Netherlands	10.9
Sweden	8.5
Switzerland	7.6
India	6.4
United Kingdom	6.1
Denmark	4.2
Taiwan	4.0
Ireland	3.6
Hong Kong	3.3
South Korea	3.0
Cash and short-term investments	2.8
China	2.4
Indonesia	2.0
Other	1.8
Other assets (liabilities)	0.6

Sector Allocation	% of NAV
Information technology	21.4
Consumer staples	18.8
Financials	16.6
Industrials	16.4
Health care	12.1
Consumer discretionary	6.8
Cash and short-term investments	2.8
Utilities	2.3
Real estate	2.2
Other assets (liabilities)	0.6

March 31, 2020	
Portfolio Allocation	% of NAV
Equities	98.9
Cash and short-term investments	1.1

Regional Allocation	% of NAV
Japan	18.2
Netherlands	12.8
Germany	11.8
Sweden	7.7
Switzerland	7.4
United Kingdom	7.2
India	5.7
Hong Kong	4.9
Denmark	4.7
Ireland	4.2
Taiwan	3.3
China	3.2
South Korea	2.9
Indonesia	2.6
Other	2.3
Cash and short-term investments	1.1

Sector Allocation	% of NAV
Information technology	19.5
Financials	19.0
Consumer staples	18.0
Industrials	15.4
Health care	12.2
Consumer discretionary	6.8
Utilities	3.2
Energy	2.6
Real estate	2.2
Cash and short-term investments	1.1

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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 INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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 INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY 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.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

### 3. Significant Accounting Policies (cont'd)

(j) Increase (decrease) in net assets attributable to securityholders from operations per security

Increase (decrease) in net assets attributable to securityholders from operations per security in the Statement of Comprehensive Income represents the increase (decrease) in net assets attributable to securityholders from operations for the period, divided by the weighted average number of securities outstanding during the period.

(k) Mergers

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

### 4. Critical Accounting Estimates and Judgments

The preparation of these financial statements requires management to make estimates and assumptions that primarily affect the valuation of investments. Estimates and assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

The duration and long-term impact of the novel coronavirus (COVID-19) pandemic on businesses and markets, and the extent of additional economic relief measures which may be offered by some governments and central banks, are unknown at the reporting date. The Manager uses judgment in assessing the impact from such events on the assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at September 30, 2020. However, this uncertainty means it is impossible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### Use of Estimates

##### *Fair value of securities not quoted in an active market*

The Fund may hold financial instruments that are not quoted in active markets and are valued using valuation techniques that make use of observable data, to the extent practicable. Various valuation techniques are utilized, depending on a number of factors, including comparison with similar instruments for which observable market prices exist and recent arm's length market transactions. Key inputs and assumptions used are company specific and may include estimated discount rates and expected price volatilities. Changes in key inputs, could affect the reported fair value of these financial instruments held by the Fund.

#### Use of Judgments

##### *Classification and measurement of investments and application of the fair value option*

In classifying and measuring financial instruments held by the Fund, Mackenzie is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9. Mackenzie has assessed the Fund's business model, the manner in which all financial instruments are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation of the Fund's financial instruments.

##### *Functional currency*

The Fund's functional and presentation currency is the Canadian dollar, which is the currency considered to best represent the economic effects of the Fund's underlying transactions, events and conditions taking into consideration the manner in which securities are issued and redeemed and how returns and performance by the Fund are measured.

##### *Structured entities and associates*

In determining whether an unlisted open-ended investment fund or an exchange-traded fund in which the Fund invests, but that it does not consolidate, meets the definitions of either a structured entity or of an associate, Mackenzie is required to make significant judgments about whether these underlying funds have the typical characteristics of a structured entity or of an associate. Mackenzie has assessed the characteristics of these underlying funds and has concluded that they do not meet the definition of either a structured entity or of an associate because the Fund does not have contracts or financing arrangements with these underlying funds and the Fund does not have an ability to influence the activities of these underlying funds or the returns it receives from investing in these underlying funds.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## 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.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## 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 INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## 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 Statement 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.

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 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.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (a) Fund Formation and Series Information (cont'd)

Series	Inception/ Reinstatement Date	Management Fees	Administration Fees	Net Asset Value per Security (\$)	
				Sep. 30, 2020	Mar. 31, 2020
Q Series <sup>(3)</sup>	October 22, 2018	2.15%	0.28%	12.90	10.79
H Series	October 22, 2018	1.15%	0.15%	13.07	10.90
HW Series	October 22, 2018	0.95%	0.15%	13.10	10.92
I Series	October 22, 2018	— <sup>(1)</sup>	— <sup>(1)</sup>	13.23	10.99
L Series	October 22, 2018	1.95%	0.15%	12.93	10.82
N Series	October 28, 2019	— <sup>(2)</sup>	— <sup>(2)</sup>	11.70	9.72
QF Series	October 28, 2019	1.15%	0.28%	11.59	9.67
QFW Series	October 28, 2019	0.95%	0.15%	11.62	9.69
Series S	May 21, 2019	— <sup>(2)</sup>	0.03%	11.70	9.72

(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.

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

As at September 30, 2020, The Canada Life Assurance Company, an affiliate of Mackenzie, and Segregated funds managed by The Canada Life Assurance Company had an investment of \$10 and \$10,743 (March 31, 2020 – \$8 and \$4,806), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year end, the Fund has capital losses of \$178 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

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 International Concentrated Equity Fund.

#### (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.

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

##### *i. Risk exposure and management*

The Fund seeks long-term capital appreciation by investing primarily in equities of companies outside Canada and the United States, either directly or through other investment funds.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## 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.

Currency	September 30, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	12,118	2	–	12,120
Japanese yen	6,853	–	–	6,853
U.S. dollar	4,825	92	–	4,917
Swedish krona	3,058	–	–	3,058
British pound	2,144	2	–	2,146
Hong Kong dollar	2,055	–	–	2,055
Danish krone	1,498	–	–	1,498
Swiss franc	1,430	2	–	1,432
Indonesian rupiah	729	7	–	736
Total	34,710	105	–	34,815
% of Net Assets	96.6	0.3	–	96.9

Currency	March 31, 2020			
	Investments (\$)	Cash and Short-Term Investments (\$)	Derivative Instruments (\$)	Net Exposure* (\$)
Euro	6,756	1	–	6,757
Japanese yen	3,461	–	–	3,461
U.S. dollar	2,308	26	–	2,334
Hong Kong dollar	1,555	–	–	1,555
Swedish krona	1,489	–	–	1,489
British pound	1,173	2	–	1,175
Danish krone	907	9	–	916
Swiss franc	863	1	–	864
Indonesian rupiah	506	–	–	506
Total	19,018	39	–	19,057
% of Net Assets	98.8	0.2	–	99.0

\* 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 \$1,741 or 4.8% of total net assets (March 31, 2020 – \$953 or 5.0%). In practice, the actual trading results may differ and the difference could be material.

# CANADA LIFE PATHWAYS INTERNATIONAL CONCENTRATED EQUITY FUND

INTERIM UNAUDITED FINANCIAL STATEMENTS | September 30, 2020

INTERNATIONAL EQUITY FUND

## 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

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

##### iv. Other price risk

The Fund's most significant exposure to price risk arises from its investment in equity securities. As at September 30, 2020, had the prices on the respective stock exchanges for these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately \$3,471 or 9.7% of total net assets (March 31, 2020 – \$1,902 or 9.9%). In practice, the actual trading results may differ and the difference could be material.

##### v. Credit risk

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

#### (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 (\$)
Equities	3,891	30,819	–	34,710	1,743	17,275	–	19,018
Total	3,891	30,819	–	34,710	1,743	17,275	–	19,018

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.

In accordance with the Fund's valuation policy, the Fund applies fair value adjustment factors to the quoted market prices for non-North American equities when North American intraday stock market movements exceed pre-determined tolerances. The adjustment factors are applied in order to estimate the impact on fair values of events occurring between the close of the non-North American stock markets and the close of business for the Fund. If fair value adjustment factors are applied, non-North American equities are classified as Level 2. Consequently, during the period ended September 30, 2020, non-North American equities frequently transferred between Level 1 (unadjusted quoted market prices) and Level 2 (adjusted market prices). As at September 30, 2020, these securities were classified as Level 2 (March 31, 2020 – Level 2).