

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

CANADIAN INCOME FUND

## MANAGEMENT REPORT

### Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by Mackenzie Financial Corporation, as Manager of Core Plus Bond Fund (Portico) (the "Fund"). The Manager is responsible for the integrity, objectivity and reliability of the data presented. This responsibility includes selecting appropriate accounting principles and making judgments and estimates consistent with International Financial Reporting Standards. The Manager is also responsible for the development of internal controls over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors (the "Board") of Mackenzie Financial Corporation is responsible for reviewing and approving the financial statements and overseeing the Manager's performance of its financial reporting responsibilities. The Board is assisted in discharging this responsibility by an Audit Committee, which reviews the financial statements and recommends them for approval by the Board. The Audit Committee also meets regularly with the Manager, internal auditors and external auditors to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues.

Deloitte LLP is the external auditor of the Fund. It is appointed by the Board. The external auditor has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the securityholders its opinion on the financial statements. Its report is set out below.

On behalf of Mackenzie Financial Corporation,  
Manager of the Fund



Barry McInerney  
President and Chief Executive Officer



Terry Rountes  
Chief Financial Officer, Funds

July 13, 2020

## INDEPENDENT AUDITOR'S REPORT

To the Securityholders of Core Plus Bond Fund (Portico) (the "Fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at March 31, 2020 and 2019, and the statements of comprehensive income, changes in financial position and cash flows for the periods then ended, as indicated in Note 1, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2020 and 2019, and its financial performance and its cash flows for the periods then ended, as indicated in Note 1, in accordance with International Financial Reporting Standards ("IFRS").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information which comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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## INDEPENDENT AUDITOR'S REPORT (cont'd)

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
July 13, 2020

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## STATEMENTS OF FINANCIAL POSITION

In thousands (except per security figures)  
As at March 31

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>ASSETS</b>					
<b>Current assets</b>			<b>Net assets attributable to securityholders per security (note 3)</b>		
Investments at fair value	1,434,502	1,586,943	Quadrus Series	6.62	6.61
Cash and cash equivalents	–	9,119	H Series	11.19	11.17
Accrued interest receivable	10,172	10,675	HW Series	10.36	10.33
Dividends receivable	65	–	L Series	10.04	10.01
Accounts receivable for investments sold	8,067	61	N Series	10.25	10.22
Accounts receivable for securities issued	1	10	QF Series	9.74	9.73
Due from manager	1	–	QFW Series	10.36	10.33
Unrealized gains on derivative contracts	1,699	–	Series A	6.51	6.49
<b>Total assets</b>	<b>1,454,507</b>	<b>1,606,808</b>	Series R	10.84	10.81
			Series S	6.56	6.54
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank indebtedness	365	–			
Accounts payable for investments purchased	49	28			
Accounts payable for securities redeemed	787	847			
Due to manager	5	–			
Unrealized losses on derivative contracts	570	–			
<b>Total liabilities</b>	<b>1,776</b>	<b>875</b>			
<b>Net assets attributable to securityholders</b>	<b>1,452,731</b>	<b>1,605,933</b>			
<b>Net assets attributable to securityholders per series (note 3)</b>					
Quadrus Series	53,260	67,101			
H Series	2,325	2,825			
HW Series	2,135	2,586			
L Series	28,071	33,838			
N Series	44,029	52,247			
QF Series	1,998	2,298			
QFW Series	109	165			
Series A	593	689			
Series R	257,434	264,993			
Series S	1,062,777	1,179,191			

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

CANADA LIFE MUTUAL FUNDS

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

CANADIAN INCOME FUND

## STATEMENTS OF COMPREHENSIVE INCOME

For the periods ended March 31 (note 1)  
In thousands (except per security figures)

	2020	2019		2020	2019
	\$	\$		\$	\$
<b>Income</b>			<b>Increase (decrease) in net assets attributable to securityholders from operations per security</b>		
Dividends	98	—	<b>Quadrus Series</b>	0.11	0.17
Interest income	44,857	48,036	<b>H Series</b>	0.29	0.32
Other changes in fair value of investments and other net assets			<b>HW Series</b>	0.35	0.44
Net realized gain (loss)	38,300	(11,942)	<b>L Series</b>	0.21	0.31
Net unrealized gain (loss)	(29,933)	39,870	<b>N Series</b>	0.35	0.46
Securities lending income	208	112	<b>QF Series</b>	0.22	0.35
Fee rebate income	1	—	<b>QFW Series</b>	0.32	0.54
<b>Total income (loss)</b>	<b>53,531</b>	<b>76,076</b>	<b>Series A</b>	0.09	0.16
			<b>Series R</b>	0.33	0.52
			<b>Series S</b>	0.23	0.30
<b>Expenses (note 6)</b>					
Management fees	1,478	1,731			
Management fee rebates	(36)	(46)			
Administration fees	447	480			
Interest charges	1	2			
Commissions and other portfolio transaction costs	29	—			
Independent Review Committee fees	5	6			
Other	1	2			
<b>Expenses before amounts absorbed by Manager</b>	<b>1,925</b>	<b>2,175</b>			
Expenses absorbed by Manager	—	—			
<b>Net expenses</b>	<b>1,925</b>	<b>2,175</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations before tax</b>	<b>51,606</b>	<b>73,901</b>			
Foreign withholding taxes	—	—			
Foreign income taxes paid (recovered)	—	—			
<b>Increase (decrease) in net assets attributable to securityholders from operations</b>	<b>51,606</b>	<b>73,901</b>			
<b>Increase (decrease) in net assets attributable to securityholders from operations per series</b>					
<b>Quadrus Series</b>	<b>958</b>	<b>1,917</b>			
<b>H Series</b>	<b>66</b>	<b>124</b>			
<b>HW Series</b>	<b>82</b>	<b>99</b>			
<b>L Series</b>	<b>663</b>	<b>1,188</b>			
<b>N Series</b>	<b>1,661</b>	<b>2,519</b>			
<b>QF Series</b>	<b>47</b>	<b>97</b>			
<b>QFW Series</b>	<b>5</b>	<b>7</b>			
<b>Series A</b>	<b>9</b>	<b>18</b>			
<b>Series R</b>	<b>8,253</b>	<b>12,082</b>			
<b>Series S</b>	<b>39,862</b>	<b>55,850</b>			

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

CANADA LIFE MUTUAL FUNDS

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## STATEMENTS OF CHANGES IN FINANCIAL POSITION

For the periods ended March 31 (note 1)  
In thousands

	2020	2019	2020	2019	2020	2019	2020	2019
	Quadrus Series		H Series		HW Series		L Series	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>67,101</b>	<b>80,909</b>	<b>2,825</b>	<b>5,753</b>	<b>2,586</b>	<b>–</b>	<b>33,838</b>	<b>39,905</b>
Increase (decrease) in net assets from operations	958	1,917	66	124	82	99	663	1,188
Distributions paid to securityholders:								
Investment income	(535)	(807)	(53)	(96)	(53)	(34)	(469)	(625)
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	(31)	(38)	(3)	(6)	–	–	–	–
Total distributions paid to securityholders	(566)	(845)	(56)	(102)	(53)	(34)	(469)	(625)
Security transactions:								
Proceeds from securities issued	3,347	6,523	85	331	440	2,628	2,590	3,767
Reinvested distributions	564	833	56	99	52	34	469	625
Payments on redemption of securities	(18,144)	(22,236)	(651)	(3,380)	(972)	(141)	(9,020)	(11,022)
Total security transactions	(14,233)	(14,880)	(510)	(2,950)	(480)	2,521	(5,961)	(6,630)
<b>Total increase (decrease) in net assets</b>	<b>(13,841)</b>	<b>(13,808)</b>	<b>(500)</b>	<b>(2,928)</b>	<b>(451)</b>	<b>2,586</b>	<b>(5,767)</b>	<b>(6,067)</b>
<b>End of period</b>	<b>53,260</b>	<b>67,101</b>	<b>2,325</b>	<b>2,825</b>	<b>2,135</b>	<b>2,586</b>	<b>28,071</b>	<b>33,838</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>10,157</b>	<b>12,474</b>	<b>253</b>	<b>524</b>	<b>250</b>	<b>–</b>	<b>3,379</b>	<b>4,061</b>
Issued	496	1,015	7	30	42	261	254	387
Reinvested distributions	84	130	5	9	5	3	46	64
Redeemed	(2,696)	(3,462)	(57)	(310)	(91)	(14)	(884)	(1,133)
<b>Securities outstanding – end of period</b>	<b>8,041</b>	<b>10,157</b>	<b>208</b>	<b>253</b>	<b>206</b>	<b>250</b>	<b>2,795</b>	<b>3,379</b>

	N Series		QF Series		QFW Series		Series A	
	\$		\$		\$		\$	
<b>NET ASSETS ATTRIBUTABLE TO SECURITYHOLDERS</b>								
<b>Beginning of period</b>	<b>52,247</b>	<b>55,510</b>	<b>2,298</b>	<b>2,621</b>	<b>165</b>	<b>–</b>	<b>689</b>	<b>773</b>
Increase (decrease) in net assets from operations	1,661	2,519	47	97	5	7	9	18
Distributions paid to securityholders:								
Investment income	(1,370)	(1,633)	(43)	(58)	(3)	(2)	(5)	(7)
Capital gains	–	–	–	–	–	–	–	–
Management fee rebates	–	–	(2)	(2)	–	–	–	–
Total distributions paid to securityholders	(1,370)	(1,633)	(45)	(60)	(3)	(2)	(5)	(7)
Security transactions:								
Proceeds from securities issued	3,865	7,079	354	562	11	158	5	1
Reinvested distributions	1,370	1,633	45	60	3	2	5	7
Payments on redemption of securities	(13,744)	(12,861)	(701)	(982)	(72)	–	(110)	(103)
Total security transactions	(8,509)	(4,149)	(302)	(360)	(58)	160	(100)	(95)
<b>Total increase (decrease) in net assets</b>	<b>(8,218)</b>	<b>(3,263)</b>	<b>(300)</b>	<b>(323)</b>	<b>(56)</b>	<b>165</b>	<b>(96)</b>	<b>(84)</b>
<b>End of period</b>	<b>44,029</b>	<b>52,247</b>	<b>1,998</b>	<b>2,298</b>	<b>109</b>	<b>165</b>	<b>593</b>	<b>689</b>

	Securities		Securities		Securities		Securities	
<b>Increase (decrease) in fund securities (note 7):</b>								
<b>Securities outstanding – beginning of period</b>	<b>5,111</b>	<b>5,530</b>	<b>236</b>	<b>274</b>	<b>16</b>	<b>–</b>	<b>106</b>	<b>121</b>
Issued	371	713	35	60	2	16	1	–
Reinvested distributions	132	164	5	6	–	–	1	1
Redeemed	(1,319)	(1,296)	(71)	(104)	(7)	–	(17)	(16)
<b>Securities outstanding – end of period</b>	<b>4,295</b>	<b>5,111</b>	<b>205</b>	<b>236</b>	<b>11</b>	<b>16</b>	<b>91</b>	<b>106</b>

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

CANADA LIFE MUTUAL FUNDS

# CORE PLUS BOND FUND (PORTICO)

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

For the periods ended March 31 (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>	<b>264,993</b>	<b>242,001</b>	<b>1,179,191</b>	<b>1,240,113</b>	<b>1,605,933</b>	<b>1,667,585</b>
Increase (decrease) in net assets from operations	8,253	12,082	39,862	55,850	51,606	73,901
Distributions paid to securityholders:						
Investment income	(7,685)	(7,330)	(32,339)	(35,603)	(42,555)	(46,195)
Capital gains	—	—	—	—	—	—
Management fee rebates	—	—	—	—	(36)	(46)
Total distributions paid to securityholders	(7,685)	(7,330)	(32,339)	(35,603)	(42,591)	(46,241)
Security transactions:						
Proceeds from securities issued	39,456	39,993	12,765	15,154	62,918	76,196
Reinvested distributions	562	568	32,339	35,603	35,465	39,464
Payments on redemption of securities	(48,145)	(22,321)	(169,041)	(131,926)	(260,600)	(204,972)
Total security transactions	(8,127)	18,240	(123,937)	(81,169)	(162,217)	(89,312)
<b>Total increase (decrease) in net assets</b>	<b>(7,559)</b>	<b>22,992</b>	<b>(116,414)</b>	<b>(60,922)</b>	<b>(153,202)</b>	<b>(61,652)</b>
<b>End of period</b>	<b>257,434</b>	<b>264,993</b>	<b>1,062,777</b>	<b>1,179,191</b>	<b>1,452,731</b>	<b>1,605,933</b>
<b>Increase (decrease) in fund securities (note 7):</b>						
<b>Securities outstanding – beginning of period</b>	<b>24,521</b>	<b>22,806</b>	<b>180,335</b>	<b>193,146</b>		
Issued	3,589	3,791	1,920	2,388		
Reinvested distributions	51	54	4,860	5,602		
Redeemed	(4,407)	(2,130)	(25,027)	(20,801)		
<b>Securities outstanding – end of period</b>	<b>23,754</b>	<b>24,521</b>	<b>162,088</b>	<b>180,335</b>		

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## STATEMENTS OF CASH FLOWS

For the periods ended March 31 (note 1)  
In thousands

	2020	2019
	\$	\$
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets attributable to securityholders from operations	51,606	73,901
Adjustments for:		
Net realized loss (gain) on investments	(39,889)	11,943
Change in net unrealized loss (gain) on investments	29,933	(39,870)
Purchase of investments	(1,520,593)	(779,699)
Proceeds from sale and maturity of investments	1,673,876	823,365
Change in accrued interest receivable	503	955
Change in dividends receivable	(65)	–
Change in due from manager	(1)	12
Change in due to manager	5	(13)
<b>Net cash from operating activities</b>	<b>195,375</b>	<b>90,594</b>
<b>Cash flows from financing activities</b>		
Proceeds from securities issued	62,350	72,819
Payments on redemption of securities	(260,083)	(202,969)
Distributions paid net of reinvestments	(7,126)	(6,777)
<b>Net cash from financing activities</b>	<b>(204,859)</b>	<b>(136,927)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(9,484)</b>	<b>(46,333)</b>
Cash and cash equivalents at beginning of period	9,119	55,452
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
<b>Cash and cash equivalents at end of period</b>	<b>(365)</b>	<b>9,119</b>
Cash	–	19
Cash equivalents	–	9,100
Bank indebtedness	(365)	–
<b>Cash and cash equivalents at end of period</b>	<b>(365)</b>	<b>9,119</b>
<b>Supplementary disclosures on cash flow from operating activities:</b>		
Dividends received	33	–
Foreign taxes paid	–	–
Interest received	45,360	48,991
Interest paid	1	2

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## SCHEDULE OF INVESTMENTS

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS</b>					
407 International Inc. 3.65% 09-08-2044 Callable MTN	Canada	Corporate - Non Convertible	4,968,000	5,583	5,173
407 International Inc. 3.30% 03-27-2045 Callable 2044	Canada	Corporate - Non Convertible	1,754,000	1,709	1,731
407 International Inc. 3.67% 03-08-2049 Callable 2048	Canada	Corporate - Non Convertible	1,515,000	1,513	1,592
407 International Inc. 2.84% 03-07-2050	Canada	Corporate - Non Convertible	6,448,000	6,439	5,767
AIMCo Realty Investors LP 2.71% 06-01-2029 Callable 2029	Canada	Corporate - Non Convertible	8,517,000	8,759	8,463
Alectra Inc. 3.46% 04-12-2049 Callable 2048	Canada	Corporate - Non Convertible	335,000	335	344
Allied Properties Real Estate Investment Trust 3.93% 11-14-2022	Canada	Corporate - Non Convertible	1,853,000	1,941	1,899
Allied Properties Real Estate Investment Trust 3.11% 04-08-2027	Canada	Corporate - Non Convertible	983,000	983	954
AltaGas Ltd. 2.61% 12-16-2022	Canada	Corporate - Non Convertible	885,000	885	860
AltaLink LP 3.67% 11-06-2023	Canada	Corporate - Non Convertible	7,025,000	7,702	7,384
Apple Inc. 2.51% 08-19-2024 Callable 2024	United States	Corporate - Non Convertible	1,964,000	1,964	1,983
Aroundtown SA 4.63% 09-18-2025 Callable 2025	Germany	Corporate - Non Convertible	4,905,000	4,885	5,031
AT&T Inc. 3.825% 11-25-2020	United States	Corporate - Non Convertible	14,112,000	14,381	14,243
Bank of America Corp. F/R 04-25-2025 Callable 2024	United States	Corporate - Non Convertible	4,124,000	4,124	4,105
Bank of America Corp. F/R 09-20-2025 Callable 2024	United States	Corporate - Non Convertible	3,914,000	3,914	3,995
Bank of Montreal 2.37% 02-03-2025 Callable 2025	Canada	Corporate - Non Convertible	2,718,000	2,718	2,675
Bank of Montreal 3.32% 06-01-2026	Canada	Corporate - Non Convertible	4,926,000	5,006	4,926
Bank of Montreal F/R 06-01-2027 Callable 2022	Canada	Corporate - Non Convertible	8,136,000	8,148	8,012
Bank of Montreal F/R 09-17-2029 Callable 2024	Canada	Corporate - Non Convertible	3,202,000	3,312	3,114
The Bank of Nova Scotia 2.36% 11-08-2022	Canada	Corporate - Non Convertible	8,845,000	8,692	8,907
The Bank of Nova Scotia 2.38% 05-01-2023	Canada	Corporate - Non Convertible	8,107,000	8,238	8,057
The Bank of Nova Scotia 3.367% 12-08-2025 Callable 2020	Canada	Corporate - Non Convertible	3,898,000	3,940	3,909
bclMC Realty Corp. 2.84% 06-03-2025 Callable 2025	Canada	Corporate - Non Convertible	1,416,000	1,478	1,445
Bell Canada Inc. 3.35% 03-22-2023	Canada	Corporate - Non Convertible	2,302,000	2,377	2,346
Bell Canada Inc. 2.75% 01-29-2025 Callable 2024	Canada	Corporate - Non Convertible	7,144,000	7,165	7,117
Bell Canada Inc. 3.35% 03-12-2025 Callable 2025	Canada	Corporate - Non Convertible	1,530,000	1,507	1,562
Bow Centre Street 3.80% 06-13-2023	Canada	Corporate - Non Convertible	1,342,000	1,316	1,383
British Columbia Ferry Services Inc. 4.70% 10-23-2043	Canada	Corporate - Non Convertible	488,000	610	596
Brookfield BPY Holdings Inc. 3.93% 01-15-2027 Callable 2026	United States	Corporate - Non Convertible	6,917,000	6,917	6,739
Brookfield Infrastructure Finance ULC 3.32% 02-22-2024 Callable 2023	Canada	Corporate - Non Convertible	1,748,000	1,769	1,743
Brookfield Infrastructure Finance ULC 4.20% 09-11-2028 Callable 2028	Canada	Corporate - Non Convertible	1,982,000	2,026	2,012
Brookfield Infrastructure Finance ULC 3.41% 10-09-2029 Callable 2029	Canada	Corporate - Non Convertible	2,986,000	2,986	2,833
Brookfield Property Finance ULC 4.12% 10-19-2021	Canada	Corporate - Non Convertible	794,000	794	800
Brookfield Property Finance ULC 4.35% 07-03-2023 Callable 2023	Canada	Corporate - Non Convertible	2,865,000	2,986	2,930
Brookfield Property Finance ULC 4.30% 03-01-2024 Callable 2024	Canada	Corporate - Non Convertible	10,059,000	10,118	10,218
Brookfield Renewable Partners ULC 3.38% 01-15-2030 Callable 2029	Canada	Corporate - Non Convertible	2,062,000	2,062	2,013
Brookfield Renewable Partners ULC 4.29% 11-05-2049 Callable 2049	Canada	Corporate - Non Convertible	4,358,000	4,351	3,757
Bruce Power LP 3.97% 06-23-2026	Canada	Corporate - Non Convertible	2,052,000	2,052	2,122
Canada Housing Trust 2.40% 12-15-2022	Canada	Federal Government	21,703,000	22,082	22,655
Canadian Imperial Bank of Commerce 2.47% 12-05-2022	Canada	Corporate - Non Convertible	9,381,000	9,501	9,463
Canadian Imperial Bank of Commerce 3.42% 01-26-2026 Callable 2021	Canada	Corporate - Non Convertible	9,553,000	9,694	9,568
Canadian Imperial Bank of Commerce F/R 04-04-2028 Callable 2023	Canada	Corporate - Non Convertible	3,714,000	3,889	3,734
Canadian Imperial Bank of Commerce F/R 06-19-2029 Callable 2024	Canada	Corporate - Non Convertible	1,159,000	1,159	1,132
Canadian Mortgage Pools 1.75% 06-01-2024	Canada	Mortgage Backed	7,927,569	7,887	8,081
Canadian National Railway Co. 2.75% 02-18-2021 Callable 2021	Canada	Corporate - Non Convertible	4,977,000	5,015	5,005
Canadian National Railway Co. 3.00% 02-08-2029 Callable 2028	Canada	Corporate - Non Convertible	1,287,000	1,281	1,327
Canadian National Railway Co. 3.60% 02-08-2049 Callable 2048	Canada	Corporate - Non Convertible	1,616,000	1,603	1,639
Canadian Natural Resources Ltd. 3.31% 02-11-2022	Canada	Corporate - Non Convertible	12,764,000	13,062	12,665
Canadian Natural Resources Ltd. 3.42% 12-01-2026 Callable 2026	Canada	Corporate - Non Convertible	5,276,000	5,276	4,573
Canadian Tire Corp. Ltd. 2.65% 07-06-2020	Canada	Corporate - Non Convertible	17,826,000	17,897	17,844

CANADA LIFE MUTUAL FUNDS



# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

As at March 31, 2020

	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Canadian Tire Corp. Ltd. 3.17% 07-06-2023 Callable 2023	Canada	Corporate - Non Convertible	2,718,000	2,718	2,736
Canadian Western Bank 2.61% 01-30-2025 Callable 2024	Canada	Corporate - Non Convertible	7,145,000	7,222	6,948
CARDS II Trust 2.43% 11-15-2024	Canada	Corporate - Non Convertible	6,612,000	6,612	6,576
Cascades Inc. 5.13% 01-15-2025 Callable 2022	Canada	Corporate - Non Convertible	1,314,000	1,314	1,286
Central 1 Credit Union 2.58% 12-06-2023	Canada	Corporate - Non Convertible	4,535,000	4,536	4,408
Choice Properties Real Estate Investment Trust 3.56% 09-09-2024 Callable 2024	Canada	Corporate - Non Convertible	7,724,000	7,726	7,775
Choice Properties Real Estate Investment Trust 2.98% 03-04-2030 Callable 2029	Canada	Corporate - Non Convertible	760,000	760	707
CI Financial Corp. 3.22% 07-22-2024 Callable 2024	Canada	Corporate - Non Convertible	5,055,000	5,055	4,901
City of Montreal 3.50% 09-01-2023	Canada	Municipal Governments	12,107,000	12,300	12,950
City of Montreal 3.15% 09-01-2028	Canada	Municipal Governments	13,762,000	14,088	14,815
City of Ottawa 3.05% 05-10-2039	Canada	Municipal Governments	3,366,000	3,349	3,490
City of Ottawa 3.25% 11-10-2047	Canada	Municipal Governments	1,277,000	1,400	1,368
City of Toronto 3.40% 05-21-2024	Canada	Municipal Governments	6,710,000	7,171	7,199
City of Toronto 2.40% 06-07-2027	Canada	Municipal Governments	4,792,000	4,779	4,951
City of Toronto 5.20% 06-01-2040	Canada	Municipal Governments	13,476,000	14,102	18,068
Coast Capital Savings Credit Union F/R 05-03-2028 Callable 2023	Canada	Corporate - Non Convertible	2,734,000	2,867	2,788
Concentra Bank F/R 05-07-2020	Canada	Corporate - Non Convertible	3,380,000	3,380	3,383
CPPIB Capital Inc. 1.95% 09-30-2029	Canada	Corporate - Non Convertible	8,106,000	8,075	8,178
Crombie Real Estate Investment Trust 3.68% 08-26-2026 Callable 2026	Canada	Corporate - Non Convertible	1,003,000	1,003	985
CU Inc. 3.81% 09-10-2042	Canada	Corporate - Non Convertible	4,907,000	4,874	5,207
CU Inc. 4.09% 09-02-2044 Callable	Canada	Corporate - Non Convertible	2,543,000	2,776	2,819
Dollarama Inc. 2.34% 07-22-2021	Canada	Corporate - Non Convertible	11,326,000	11,495	11,324
Dollarama Inc. 2.20% 11-10-2022 Callable 2022	Canada	Corporate - Non Convertible	5,179,000	5,065	5,103
The Empire Life Insurance Co. F/R 12-16-2026 Callable 2021	Canada	Corporate - Non Convertible	2,382,000	2,436	2,406
Enbridge Gas Inc. 3.51% 11-29-2047 Callable 2047	Canada	Corporate - Non Convertible	3,215,000	3,215	3,299
Enbridge Inc. 3.16% 03-11-2021	Canada	Corporate - Non Convertible	5,500,000	5,504	5,490
Enbridge Inc. 4.24% 08-27-2042	Canada	Corporate - Non Convertible	8,012,000	7,989	6,922
Enbridge Inc. 5.37% 09-27-2077 Callable 2027	Canada	Corporate - Non Convertible	4,558,000	4,558	3,768
European Investment Bank 1.75% 07-30-2024 144A	Supra - National	n/a	9,402,000	9,384	9,678
First Capital Realty Inc. 3.46% 01-22-2027 Callable 2026	Canada	Corporate - Non Convertible	6,106,000	6,147	6,061
FortisAlberta Inc. 3.67% 09-09-2047 Callable 2047	Canada	Corporate - Non Convertible	2,509,000	2,513	2,629
Genworth MI Canada Inc. 2.96% 03-01-2027	Canada	Corporate - Non Convertible	2,058,000	2,058	1,928
Gibson Energy Inc. 5.25% 07-15-2024 Callable 2020 REGS	Canada	Corporate - Non Convertible	2,306,000	2,307	2,325
Gibson Energy Inc. 3.60% 09-17-2029 Callable 2029	Canada	Corporate - Non Convertible	2,831,000	2,823	2,507
Glacier Credit Card Trust 3.14% 09-20-2023	Canada	Corporate - Non Convertible	3,078,000	3,164	3,139
Glacier Credit Card Trust 2.28% 06-06-2024	Canada	Corporate - Non Convertible	10,077,000	10,077	9,945
Government of Canada 3.25% 06-01-2021	Canada	Federal Government	6,298,000	6,491	6,503
Government of Canada 1.25% 11-01-2021	Canada	Federal Government	10,385,000	10,316	10,514
Government of Canada 1.00% 09-01-2022	Canada	Federal Government	14,560,000	14,355	14,746
Government of Canada 2.25% 06-01-2025	Canada	Federal Government	6,092,000	6,657	6,599
Government of Canada 1.50% 06-01-2026	Canada	Federal Government	22,814,000	24,118	23,997
Government of Canada 1.00% 06-01-2027	Canada	Federal Government	2,174,000	2,101	2,227
Government of Canada 2.25% 06-01-2029	Canada	Federal Government	12,614,000	13,454	14,338
Government of Canada 3.50% 12-01-2045	Canada	Federal Government	27,741,000	38,360	40,951
Government of Canada 2.75% 12-01-2048	Canada	Federal Government	8,278,000	9,999	11,100
Greater Toronto Airports Authority 3.04% 09-21-2022	Canada	Corporate - Non Convertible	10,110,000	10,126	10,317
Greater Toronto Airports Authority 2.73% 04-03-2029 Callable 2029	Canada	Corporate - Non Convertible	533,000	533	542

CANADA LIFE MUTUAL FUNDS

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

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<b>BONDS (cont'd)</b>					
Greater Toronto Airports Authority 2.75% 10-17-2039	Canada	Corporate - Non Convertible	4,639,000	4,633	4,144
Greater Toronto Airports Authority 5.63% 06-07-2040 Callable	Canada	Corporate - Non Convertible	5,272,000	6,667	6,869
Heathrow Funding Ltd. 3.40% 03-08-2028	United Kingdom	Corporate - Non Convertible	2,875,000	2,871	2,898
Heathrow Funding Ltd. 3.79% 09-04-2030 Callable 2030	United Kingdom	Corporate - Non Convertible	2,512,000	2,512	2,581
Honda Canada Finance Inc. 2.50% 06-04-2024	Canada	Corporate - Non Convertible	4,764,000	4,801	4,658
HSBC Bank Canada 2.17% 06-29-2022	Canada	Corporate - Non Convertible	16,122,000	15,936	16,045
HSBC Bank Canada 2.25% 09-15-2022	Canada	Corporate - Non Convertible	2,028,000	2,028	2,018
Husky Energy Inc. 3.60% 03-10-2027 Callable 2026	Canada	Corporate - Non Convertible	3,347,000	3,340	2,805
Hydro One Inc. 3.20% 01-13-2022	Canada	Corporate - Non Convertible	4,236,000	4,436	4,322
Hydro One Inc. 2.54% 04-05-2024 Callable 2024	Canada	Corporate - Non Convertible	3,282,000	3,353	3,322
Hydro One Inc. 3.72% 11-18-2047	Canada	Corporate - Non Convertible	2,902,000	2,902	3,044
Hydro-Quebec 4.00% 02-15-2055	Canada	Provincial Governments	4,910,000	6,897	6,567
iA Financial Corp. Inc. F/R 02-21-2030 Callable 2025	Canada	Corporate - Non Convertible	722,000	722	667
Inter Pipeline Ltd. 3.448% 07-20-2020	Canada	Corporate - Non Convertible	19,972,000	20,102	19,988
Inter Pipeline Ltd. 2.61% 09-13-2023 Callable MTN	Canada	Corporate - Non Convertible	6,675,000	6,671	6,456
Inter Pipeline Ltd. 3.48% 12-16-2026 Callable 2026	Canada	Corporate - Non Convertible	2,886,000	2,905	2,775
Inter Pipeline Ltd. F/R 03-26-2079 Callable 2029	Canada	Corporate - Non Convertible	1,017,000	1,017	906
The International Bank for Reconstruction and Development 1.90% 01-16-2025	United States	Corporate - Non Convertible	7,666,000	7,658	7,954
International Bank for Reconstruction and Development 1.95% 09-20-2029	Supra - National	n/a	8,370,000	8,358	8,760
Kruger Packaging Holdings LP 6.00% 06-01-2026 Callable 2022	Canada	Corporate - Non Convertible	1,341,000	1,341	1,306
Laurentian Bank of Canada 2.55% 06-20-2022	Canada	Corporate - Non Convertible	5,025,000	5,024	4,988
Laurentian Bank of Canada F/R 06-22-2027 Callable 2022	Canada	Corporate - Non Convertible	7,306,000	7,353	7,226
Lloyds Banking Group PLC 3.50% 02-03-2025	United Kingdom	Corporate - Non Convertible	5,081,000	5,081	4,946
Loblaw Companies Ltd. 4.86% 09-12-2023 Callable	Canada	Corporate - Non Convertible	5,955,000	6,064	6,337
Loblaw Companies Ltd. 6.54% 02-17-2033 Callable	Canada	Corporate - Non Convertible	2,334,000	2,678	2,943
Manulife Finance (Delaware) LP 5.06% 12-15-2041	Canada	Corporate - Non Convertible	6,239,000	6,354	6,809
Manulife Financial Corp. F/R 08-20-2029 Callable 2024	Canada	Corporate - Non Convertible	12,093,000	12,363	11,971
MCAP Commercial LP 5.00% 12-14-2022	Canada	Corporate - Non Convertible	508,000	515	527
McDonald's Corp. 3.13% 03-04-2025 Callable 2025	United States	Corporate - Non Convertible	3,005,000	3,019	3,049
Metro Inc. 5.03% 12-01-2044 Callable 2044	Canada	Corporate - Non Convertible	617,000	691	672
Metro Inc. 3.41% 02-28-2050 Callable 2049	Canada	Corporate - Non Convertible	2,153,000	2,152	1,806
Municipal Finance Authority of British Columbia 2.55% 10-09-2029	Canada	Provincial Governments	3,649,000	3,791	3,808
Muskat Falls/Labrador Transmission Assets Funding Trust 3.83% 06-01-2037	Canada	Federal Government	10,000,000	11,238	12,193
Muskat Falls 3.86% 12-01-2048	Canada	Federal Government	17,440,000	17,816	22,454
National Australia Bank Ltd. F/R 06-12-2030 Callable 2025	Australia	Corporate - Non Convertible	8,362,000	8,407	8,079
National Bank of Canada 1.81% 07-26-2021	Canada	Corporate - Non Convertible	6,405,000	6,355	6,387
National Bank of Canada 1.96% 06-30-2022	Canada	Corporate - Non Convertible	5,263,000	5,225	5,242
National Bank of Canada 2.58% 02-03-2025	Canada	Corporate - Non Convertible	4,474,000	4,474	4,437
NAV Canada 3.29% 03-30-2048 Callable 2047	Canada	Corporate - Non Convertible	1,366,000	1,366	1,348
NAV Canada 3.21% 09-29-2050 Callable 2050	Canada	Corporate - Non Convertible	1,438,000	1,438	1,395
North West Redwater Partnership 3.20% 04-24-2026 Callable 2026	Canada	Corporate - Non Convertible	3,783,000	3,945	3,831
OMERS Finance Trust 2.60% 05-14-2029	Canada	Corporate - Non Convertible	3,829,000	3,825	4,019
OMERS Realty Corp. 3.63% 06-05-2030 Callable 2030	Canada	Corporate - Non Convertible	6,183,000	7,258	6,690
Parkland Fuel Corp. 5.75% 09-16-2024 Callable 2020	Canada	Corporate - Non Convertible	2,213,000	2,246	2,112
Parkland Fuel Corp. 5.63% 05-09-2025 Callable 2020	Canada	Corporate - Non Convertible	4,421,000	4,421	4,161
Pembina Pipeline Corp. 4.89% 03-29-2021 Callable	Canada	Corporate - Non Convertible	2,997,000	3,095	3,051
Pembina Pipeline Corp. 2.56% 06-01-2023	Canada	Corporate - Non Convertible	4,712,000	4,712	4,546

CANADA LIFE MUTUAL FUNDS

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## SCHEDULE OF INVESTMENTS (cont'd)

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	Country	Sector	Par Value/ No. of Shares/Units	Average Cost (\$ 000s)	Fair Value (\$ 000s)
<b>BONDS (cont'd)</b>					
Pembina Pipeline Corp. 4.02% 03-27-2028 Callable 2027	Canada	Corporate - Non Convertible	1,608,000	1,708	1,571
Peoples Trust 1.91% 09-01-2029	Canada	Mortgage Backed	4,757,969	4,668	4,890
Province of Alberta 2.55% 06-01-2027	Canada	Provincial Governments	8,442,000	8,171	8,751
Province of Alberta 2.05% 06-01-2030	Canada	Provincial Governments	12,185,000	11,978	11,867
Province of British Columbia 5.70% 06-18-2029	Canada	Provincial Governments	8,065,000	11,048	10,661
Province of British Columbia 6.35% 06-18-2031	Canada	Provincial Governments	3,219,000	4,532	4,623
Province of British Columbia 4.95% 06-18-2040	Canada	Provincial Governments	6,522,000	8,614	9,062
Province of British Columbia 3.20% 06-18-2044	Canada	Provincial Governments	11,987,000	11,690	13,352
Province of Manitoba 2.75% 06-02-2029	Canada	Provincial Governments	6,628,000	6,907	7,031
Province of Manitoba 2.85% 09-05-2046	Canada	Provincial Governments	13,616,000	12,960	13,660
Province of New Brunswick 1.80% 08-14-2025	Canada	Provincial Governments	3,202,000	3,199	3,226
Province of New Brunswick 3.05% 08-14-2050	Canada	Provincial Governments	3,292,000	3,503	3,395
Province of Nova Scotia 2.10% 06-01-2027	Canada	Provincial Governments	3,398,000	3,345	3,469
Province of Nova Scotia 2.00% 09-01-2030	Canada	Provincial Governments	20,670,000	20,604	20,540
Province of Nova Scotia 3.15% 12-01-2051	Canada	Provincial Governments	6,959,000	8,260	7,640
Province of Ontario 1.85% 02-01-2027	Canada	Provincial Governments	2,336,000	2,330	2,367
Province of Ontario 2.90% 06-02-2028	Canada	Provincial Governments	6,459,000	6,454	7,007
Province of Ontario 2.05% 06-02-2030	Canada	Provincial Governments	21,902,000	22,277	22,127
Province of Ontario 4.70% 06-02-2037	Canada	Provincial Governments	20,162,000	23,630	26,560
Province of Ontario 4.65% 06-02-2041	Canada	Provincial Governments	18,034,000	21,507	24,224
Province of Ontario 2.80% 06-02-2048	Canada	Provincial Governments	16,769,000	15,886	17,562
Province of Ontario 2.90% 06-02-2049	Canada	Provincial Governments	8,065,000	10,166	8,629
Province of Ontario 2.65% 12-02-2050	Canada	Provincial Governments	25,363,000	29,144	26,004
Province of Quebec 2.75% 09-01-2028	Canada	Provincial Governments	8,944,000	8,729	9,636
Province of Quebec 4.25% 12-01-2043	Canada	Provincial Governments	34,445,000	39,151	44,863
Province of Quebec 3.50% 12-01-2048	Canada	Provincial Governments	15,738,000	16,839	18,796
Province of Quebec 3.10% 12-01-2051	Canada	Provincial Governments	3,230,000	3,743	3,648
Province of Saskatchewan 3.05% 12-02-2028	Canada	Provincial Governments	4,815,000	5,079	5,225
Province of Saskatchewan 3.10% 06-02-2050	Canada	Provincial Governments	3,325,000	3,553	3,510
PSP Capital Inc. 2.09% 11-22-2023 Series 9	Canada	Federal Government	5,544,000	5,606	5,705
PSP Capital Inc. 2.05% 01-15-2030	Canada	Federal Government	9,616,000	9,584	9,750
Regional Municipality of York 2.65% 04-18-2029	Canada	Municipal Governments	6,990,000	7,102	7,305
Reliance LP 3.813% 09-15-2020	Canada	Corporate - Non Convertible	3,202,000	3,234	3,223
Reliance LP 3.75% 03-15-2026 Callable 2026	Canada	Corporate - Non Convertible	1,015,000	1,017	1,021
RioCan Real Estate Investment Trust 3.72% 12-13-2021 Series R	Canada	Corporate - Non Convertible	1,255,000	1,293	1,274
RioCan Real Estate Investment Trust 2.58% 02-12-2025	Canada	Corporate - Non Convertible	2,952,000	2,952	2,845
RioCan Real Estate Investment Trust 2.36% 03-10-2027	Canada	Corporate - Non Convertible	1,931,000	1,931	1,780
Rogers Communications Inc. 3.65% 03-31-2027	Canada	Corporate - Non Convertible	633,000	630	656
Rogers Communications Inc. 6.68% 11-04-2039	Canada	Corporate - Non Convertible	896,000	1,138	1,199
Rogers Communications Inc. 6.11% 08-25-2040	Canada	Corporate - Non Convertible	596,000	745	752
Royal Bank of Canada 1.58% 09-13-2021 DPNT	Canada	Corporate - Non Convertible	3,205,000	3,205	3,186
Royal Bank of Canada 2.00% 03-21-2022	Canada	Corporate - Non Convertible	20,568,000	20,370	20,540
Royal Bank of Canada 2.61% 11-01-2024	Canada	Corporate - Non Convertible	4,852,000	4,852	4,833
Royal Bank of Canada 2.33% 01-28-2027	Canada	Corporate - Non Convertible	11,166,000	11,172	10,739
Royal Bank of Canada F/R 12-23-2029 Callable 2024	Canada	Corporate - Non Convertible	18,717,000	19,005	18,104
Scotia Capital Inc. 1.89% 10-01-2024	Canada	Mortgage Backed	16,203,148	16,080	16,488
Scotia Capital Inc. 1.74% 01-01-2025	Canada	Mortgage Backed	4,449,198	4,405	4,526
Shaw Communications Inc. 6.75% 11-09-2039	Canada	Corporate - Non Convertible	1,107,000	1,250	1,342
Smart Real Estate Investment Trust 2.88% 03-21-2022	Canada	Corporate - Non Convertible	665,000	662	665
SmartCentres Real Estate Investment Trust 2.76% 06-23-2021	Canada	Corporate - Non Convertible	991,000	991	989

CANADA LIFE MUTUAL FUNDS

# CORE PLUS BOND FUND (PORTICO)

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## SCHEDULE OF INVESTMENTS (cont'd)

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<b>BONDS (cont'd)</b>					
SmartCentres Real Estate Investment Trust 3.53% 12-20-2029 Callable 2029	Canada	Corporate - Non Convertible	4,422,000	4,422	4,298
South Coast British Columbia Transportation Authority 3.80% 11-02-2020	Canada	Municipal Governments	1,925,000	1,982	1,961
Sun Life Financial Inc. F/R 11-23-2027 Callable 2022	Canada	Corporate - Non Convertible	6,540,000	6,537	6,523
Sun Life Financial Inc. F/R 08-13-2029 Callable 2024	Canada	Corporate - Non Convertible	11,283,000	11,282	10,831
Suncor Energy Inc. 3.10% 11-26-2021 Callable 2021	Canada	Corporate - Non Convertible	18,270,000	18,464	18,147
Suncor Energy Inc. 3.00% 09-14-2026 MTN	Canada	Corporate - Non Convertible	2,376,000	2,401	2,187
Suncor Energy Inc. 5.39% 03-26-2037 Callable	Canada	Corporate - Non Convertible	6,095,000	6,304	6,195
Superior Plus LP 5.25% 02-27-2024 Callable 2020	Canada	Corporate - Non Convertible	6,379,000	6,466	6,007
TELUS Corp. 2.75% 07-08-2026	Canada	Corporate - Non Convertible	3,288,000	3,284	3,230
Teranet Holdings LP 4.807% 12-16-2020	Canada	Corporate - Non Convertible	4,700,000	5,044	4,750
The Toronto-Dominion Bank 2.05% 03-08-2021	Canada	Corporate - Non Convertible	1,449,000	1,480	1,449
The Toronto-Dominion Bank 2.621% 12-22-2021	Canada	Corporate - Non Convertible	7,942,000	8,346	8,021
The Toronto-Dominion Bank 1.94% 03-13-2025	Canada	Corporate - Non Convertible	3,638,000	3,638	3,511
The Toronto-Dominion Bank 2.69% 06-24-2025 Callable 2020	Canada	Corporate - Non Convertible	9,877,000	9,863	9,875
The Toronto-Dominion Bank F/R 01-26-2032 Callable 2027	Canada	Corporate - Non Convertible	6,155,000	6,153	5,883
TransCanada Pipelines Ltd. 3.00% 09-18-2029 Callable 2029	Canada	Corporate - Non Convertible	684,000	682	650
TransCanada Trust F/R 05-18-2077 Callable 2027	Canada	Corporate - Non Convertible	4,818,000	4,769	3,836
Union Gas Ltd. 3.59% 11-22-2047 Callable 2047	Canada	Corporate - Non Convertible	3,082,000	3,077	3,219
University of Ottawa 2.64% 02-13-2060 Callable 2020	Canada	Corporate - Non Convertible	650,000	650	641
Vancouver Airport Authority 2.87% 10-18-2049	Canada	Corporate - Non Convertible	4,641,000	4,641	4,110
Videotron Ltd. 4.50% 01-15-2030 Callable 2024	Canada	Corporate - Non Convertible	6,620,000	6,620	5,881
Waste Management of Canada Corp. 2.60% 09-23-2026 Callable 2026	Canada	Corporate - Non Convertible	3,601,000	3,593	3,589
Welltower Inc. 2.95% 01-15-2027 Callable 2026	United States	Corporate - Non Convertible	2,039,000	2,037	1,983
<b>Total bonds</b>				<b>1,404,073</b>	<b>1,421,029</b>
<b>EXCHANGE-TRADED FUNDS/NOTES</b>					
BMO Emerging Markets Bond Hedged to CAD Index ETF	Canada	Exchange-Traded Funds/Notes	439,130	6,910	5,985
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	Canada	Exchange-Traded Funds/Notes	577,463	7,631	6,473
Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	Canada	Exchange-Traded Funds/Notes	11,927	1,191	1,015
<b>Total exchange-traded funds/notes</b>				<b>15,732</b>	<b>13,473</b>
Transaction costs				(22)	—
<b>Total investments</b>				<b>1,419,783</b>	<b>1,434,502</b>
Derivative instruments (see schedule of derivative instruments)					1,129
Bank indebtedness					(365)
Other assets less liabilities					17,465
<b>Total net assets</b>					<b>1,452,731</b>

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

CANADIAN INCOME FUND

## SUMMARY OF INVESTMENT PORTFOLIO

March 31, 2020	
Portfolio Allocation	% of NAV
Bonds	106.5
<i>Bonds</i>	97.8
<i>Long futures</i>	8.7
<i>Short futures</i>	(0.0)
Other assets (liabilities)	1.2
Exchange-traded funds/notes	0.9
Cash and short-term investments	(8.6)

Regional Allocation	
	% of NAV
Canada	101.4
United States	3.6
Other assets (liabilities)	1.2
United Kingdom	0.7
Luxembourg	0.7
Australia	0.6
Germany	0.3
Other	0.1
Cash and short-term investments	(8.6)

Sector Allocation	
	% of NAV
Corporate bonds	51.3
Federal bonds	22.6
Provincial bonds	22.5
Municipal bonds	5.0
Mortgage backed	2.3
Foreign government bonds	1.4
Supra-national bonds	1.3
Other assets (liabilities)	1.2
Exchange-traded funds/notes	0.9
Other	0.1
Cash and short-term investments	(8.6)

March 31, 2019	
Portfolio Allocation	% of NAV
Bonds	98.8
Other assets (liabilities)	0.6
Cash and short-term investments	0.6

Regional Allocation	
	% of NAV
Canada	95.5
United States	2.3
United Kingdom	0.7
Other assets (liabilities)	0.6
Cash and short-term investments	0.6
Germany	0.3

Sector Allocation	
	% of NAV
Corporate bonds	39.2
Provincial bonds	28.5
Federal bonds	26.5
Municipal bonds	4.1
Other assets (liabilities)	0.6
Cash and short-term investments	0.6
Mortgage backed	0.5

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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## SCHEDULE OF DERIVATIVE INSTRUMENTS

As at March 31, 2020

### Schedule of Futures Contracts

Number of Contracts	Type of Contract	Expiration Date	Average Rate of Contracts (\$)	Notional Value* (\$ 000s)	Unrealized Gains (Losses) (\$ 000s)
983	5 Year Canadian Government Bond Futures June 2020	Jun. 19, 2020	126.13 CAD	125,480	1,699
Unrealized Gains				125,480	1,699
(259)	10 Year Canadian Government Bond Futures June 2020	Jun. 19, 2020	145.04 CAD	(38,109)	(570)
Unrealized (Losses)				(38,109)	(570)
<b>Total futures contracts</b>				<b>87,371</b>	<b>1,129</b>

\* Notional value represents the exposure to the underlying instruments as at March 31, 2020

# CORE PLUS BOND FUND (PORTICO)

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CANADIAN INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

### 1. Fiscal Periods and General Information

The information provided in these financial statements and notes thereto is for the periods ended or as at March 31, 2020 and 2019, 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 audited annual financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). 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 July 13, 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.

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.

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (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 March 31, 2020.

#### (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.



# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (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.

#### (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.

# CORE PLUS BOND FUND (PORTICO)

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## NOTES TO FINANCIAL STATEMENTS

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

#### (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 outbreak of the novel coronavirus (COVID-19) developed rapidly over the first three months of 2020, with the World Health Organization declaring it a pandemic on March 11, 2020, and governments around the world enacting emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The Manager uses judgment in assessing the impact from such events on assumptions and estimates applied in reporting the assets and liabilities in the Fund's financial statements at March 31, 2020.

The duration and impact of the COVID-19 pandemic on businesses and markets, and the extent of economic relief measures provided by governments and central banks, are unknown at the reporting date and it is therefore not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

#### Use of Estimates

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

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

#### Use of Judgments

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

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

##### *Functional currency*

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

##### *Structured entities and associates*

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

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## 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 March 31, 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 March 31, 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.

# CORE PLUS BOND FUND (PORTICO)

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## 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.

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

ANNUAL AUDITED FINANCIAL STATEMENTS | March 31, 2020

CANADIAN INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

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

Date of Formation October 10, 1974\*

\* Mackenzie assumed management on October 5, 2001.

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed in the Statements of Changes in Financial Position.

**Series Distributed by Quadrus Investment Services Ltd.** (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; [www.quadrusgroupoffunds.com](http://www.quadrusgroupoffunds.com))

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

Quadrus Series, H Series, HW Series, L Series, N Series, QF Series and QFW Series securities are no longer available for sale, except for additional purchases by investors who have held these securities since October 1, 2018.

**Series Offered by Mackenzie Financial Corporation** (180 Queen Street West, Toronto, Ontario, M5V 3K1; 1-800-387-0614; [www.mackenzieinvestments.com](http://www.mackenzieinvestments.com))

Series R and Series S securities are no longer available for sale, except for additional purchases by investors who have held these securities since October 1, 2018.

Series A securities are no longer available for sale.

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 and a no-load purchase option. The charges under the sales charge purchase option are negotiated by investors with their dealers. 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 (\$)	
				Mar. 31, 2020	Mar. 31, 2019
Quadrus Series <sup>(2)</sup>	October 10, 1974	1.55%	0.17%	6.62	6.61
H Series	January 8, 2001	0.65%	0.15%	11.19	11.17
HW Series	August 7, 2018	0.45%	0.15%	10.36	10.33
L Series	October 4, 2011	1.00%	0.15%	10.04	10.01
N Series	October 5, 2011	— <sup>(1)</sup>	— <sup>(1)</sup>	10.25	10.22
QF Series	July 12, 2016	0.65%	0.17%	9.74	9.73
QFW Series	August 7, 2018	0.45%	0.15%	10.36	10.33
Series A	October 10, 1974	1.65%	0.17%	6.51	6.49
Series R	July 3, 2007	— *	— *	10.84	10.81
Series S	January 1, 2001	— <sup>(1)</sup>	0.02%	6.56	6.54

\* Not applicable.

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

(2) On August 17, 2020, Quadrus Series will be renamed Q Series.

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

As at March 31, 2020, other funds managed by Mackenzie and The Canada Life Assurance Company had an investment of \$257,434 and \$1,062,777 (2019 – \$264,993 and \$1,179,191), respectively, in the Fund.

#### (c) Loss Carryforwards

As at the last taxation year-end, the Fund has capital losses of \$13,393 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.

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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CANADIAN INCOME FUND

## NOTES TO FINANCIAL STATEMENTS

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

#### (d) Securities Lending

The value of securities loaned and collateral received from securities lending at March 31, 2020 and 2019 were as follows:

	March 31, 2020	March 31, 2019
	(\$)	(\$)
Value of securities loaned	238,731	232,843
Value of collateral received	251,853	244,688

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

A reconciliation of the gross amount generated from the securities lending transactions to the security lending income to the Fund for the periods ended March 31, 2020 and 2019 is as follows:

	2020		2019	
	(\$)	(%)	(\$)	(%)
Gross securities lending income	269	100.0	150	100.0
Tax withheld	(1)	(0.4)	–	–
	268	99.6	150	100.0
Payments to Securities Lending Agent	(60)	(22.3)	(38)	(25.3)
Securities lending income	208	77.3	112	74.7

#### (e) 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.

	March 31, 2020			
	Gross amount of assets/liabilities (\$)	Amount available for offset (\$)	Margin (\$)	Net amount (\$)
Unrealized gains on derivative contracts	1,699	(570)	–	1,129
Unrealized losses on derivative contracts	(570)	570	–	–
Liability for options written	–	–	–	–
Total	1,129	–	–	1,129

As at March 31, 2019, there were no amounts subject to offsetting.

#### (f) Subsequent Event

On August 17, 2020, the Fund will be renamed Canada Life Core Plus Bond Fund (Portico).

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

##### i. Risk exposure and management

The Fund seeks income by investing in Canadian fixed income securities and other income-producing securities. It may hold up to 30% of its assets in foreign investments. The Fund may invest up to 20% of its assets in high-yield bonds rated "BB" or lower, or that are non-rated.

##### ii. Currency risk

As at March 31, 2020 and 2019, the Fund did not have a significant exposure to currency risk.

# CORE PLUS BOND FUND (PORTICO)

(To be renamed Canada Life Core Plus Bond Fund (Portico) on August 17, 2020)

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## NOTES TO FINANCIAL STATEMENTS

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

#### (g) Risks Associated with Financial Instruments (cont'd)

##### iii. Interest rate risk

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

Term to Maturity	March 31, 2020 (\$)		March 31, 2019 (\$)	
	Bonds	Derivative Instruments	Bonds	Derivative Instruments
Less than 1 year	80,387	87,371	41,949	—
1-5 years	435,184	—	551,892	—
5-10 years	389,499	—	488,336	—
Greater than 10 years	515,959	—	504,766	—
Total	1,421,029	87,371	1,586,943	—

As at March 31, 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 \$117,557 or 8.1% of total net assets (2019 – \$118,905 or 7.4%). In practice, the actual trading results may differ and the difference could be material.

##### iv. Other price risk

As at March 31, 2020 and 2019, 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 March 31, 2020, was 14.0% of the net assets of the Fund (2019 – 27.9%).

As at March 31, 2020 and 2019, debt securities by credit rating are as follows:

Bond Rating*	March 31, 2020	March 31, 2019
	% of Net Assets	% of Net Assets
AAA	22.3	33.6
AA	15.3	20.0
A	26.1	30.1
BBB	22.3	13.3
Less than BBB	1.9	1.8
Unrated	9.9	—
Total	97.8	98.8

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

# CORE PLUS BOND FUND (PORTICO)

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## NOTES TO FINANCIAL STATEMENTS

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

#### (h) 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.

	March 31, 2020				March 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	1,421,029	–	1,421,029	–	1,586,943	–	1,586,943
Exchange-traded funds/notes	13,473	–	–	13,473	–	–	–	–
Derivative assets	1,699	–	–	1,699	–	–	–	–
Derivative liabilities	(570)	–	–	(570)	–	–	–	–
Short-term investments	–	–	–	–	–	9,100	–	9,100
Total	14,602	1,421,029	–	1,435,631	–	1,596,043	–	1,596,043

The Fund's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

During the period, there were no transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data and using standard market convention practices. Short-term investments classified as Level 2 investments are valued based on amortized cost plus accrued interest which closely approximates fair value.