

CAN Canadian Core Plus Bond II 75/75 (PS1)†

May 31, 2026

A fixed-income fund seeking to provide a high level of interest income with the potential for growth.

Is this fund right for you?

- You want to protect your money from inflation while also protecting it from large swings in the market.
- You want to invest in government and corporate bonds, as well as other debt securities issued in Canada and around the world.
- You're comfortable with a low level of risk.



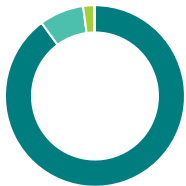
Fund category
Canadian Core Plus Fixed Income

Inception date
May 14, 2012

Management expense ratio (MER)*
1.39%
(December 31, 2024)

Fund management
Mackenzie Investments

How is the fund invested? (as of May 31, 2026)



Asset allocation (%)

| | |
|----------------------|------|
| Domestic Bonds | 89.9 |
| Foreign Bonds | 8.0 |
| Cash and Equivalents | 2.0 |
| Canadian Equity | 0.1 |



Geographic allocation (%)

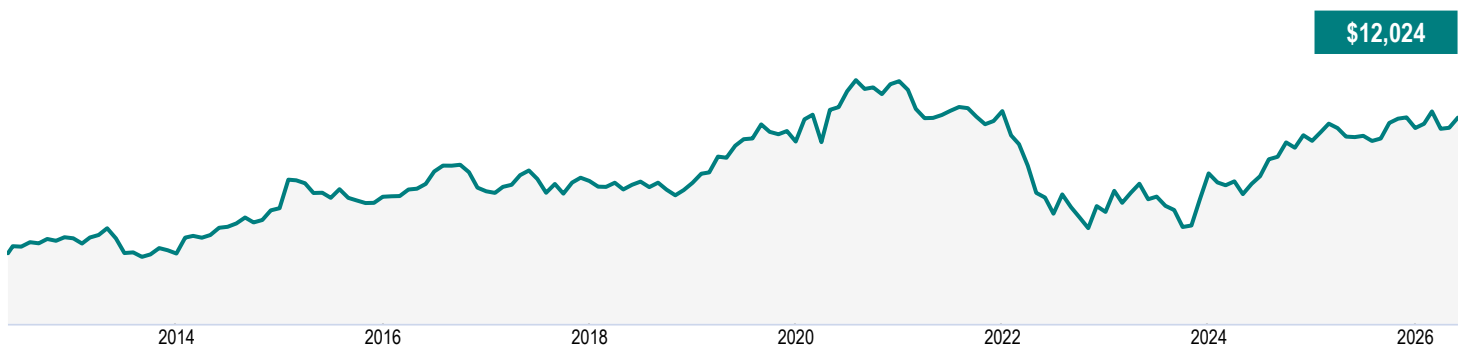
| | |
|---------------|------|
| Canada | 91.9 |
| United States | 6.3 |
| Norway | 1.3 |
| France | 0.3 |
| Other | 0.2 |



Sector allocation (%)

| | |
|--------------------------|------|
| Fixed Income | 97.9 |
| Cash and Cash Equivalent | 2.0 |
| Financial Services | 0.1 |

Growth of \$10,000 (since inception)



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Fund details (as of May 31, 2026)

| Top holdings | % |
|--|-------------|
| Canada Government 3.25% 01-Jun-2035 | 8.1 |
| Canada Government 3.50% 01-Dec-2057 | 3.8 |
| Ontario Province 3.95% 02-Dec-2035 | 3.7 |
| Canada Government 2.75% 01-Dec-2055 | 3.5 |
| Canada Government 1.50% 01-Jun-2031 | 2.9 |
| Province of Ontario 3.90% 06-02-2036 | 2.9 |
| United States Treasury Inflation Index 1.125% 10-15-2030 Real Return | 2.2 |
| United States Treasury 2.38% 15-Feb-2055 | 1.6 |
| British Clmbia Invst Mgmt Corp 4.00% 02-Jun-2035 | 1.6 |
| CPPIB Capital Inc 4.30% 02-Jun-2034 | 1.6 |
| Total allocation in top holdings | 31.9 |

| Portfolio characteristics | |
|------------------------------|------------|
| Standard deviation | 4.92% |
| Dividend yield | 4.04% |
| Yield to maturity | 3.89% |
| Duration (years) | 7.71 |
| Coupon | 3.86% |
| Average credit rating | A+ |
| Average market cap (million) | \$42,246.1 |

Understanding returns

Annual compound returns (%)

| 1 MO | 3 MO | YTD | 1 YR | 3 YR | 5 YR | 10 YR | INCEPTION |
|-------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|
| 1.28 | -0.76 | 1.31 | 2.48 | 3.62 | -0.06 | 0.86 | 1.32 |

Calendar year returns (%)

| 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|-------------|-------------|-------------|---------------|--------------|-------------|-------------|--------------|
| 1.64 | 4.34 | 5.41 | -12.41 | -3.55 | 7.72 | 5.57 | -0.24 |

Range of returns over five years (June 01, 2012 - May 31, 2026)

| Best return | Best period end date | Worst return | Worst period end date | Average Return | % of periods with positive returns | Number of positive periods | Number of negative periods |
|--------------|----------------------|---------------|-----------------------|----------------|------------------------------------|----------------------------|----------------------------|
| 3.10% | Nov. 2020 | -1.49% | July 2025 | 0.79% | 57.80% | 63 | 46 |

Net assets (million)
\$266.1

Price
\$12.02

Number of holdings
1280

Minimum initial investment
\$500

A minimum \$500,000 in eligible assets required for preferred pricing. (refer back to info folder for eligible assets)

Fund codes

FEL – CLGC112A
DSC[^] – CLGC112B
CB4 – CLGC112C

Contact information

Customer service centre

Toll free:
1-888-252-1847

Corporate website:
canadalife.com

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Q1 2026 Fund Commentary

Commentary and opinions are provided by Mackenzie Investments.

Market commentary

Canada's economy navigated a challenging first quarter as trade uncertainty continued to weigh on business confidence and manufacturing activity. Employment fell in January and February before stabilizing in March, when the economy added 14,000 jobs and the unemployment rate held steady at 6.7%.

The Bank of Canada held its policy rate at 2.25% at both its January and March meetings. Canada's inflation rate eased to 1.8% in February, the softest reading in several months. The Bank noted that near-term growth was likely to be weaker than anticipated and that the energy price shock following the outbreak of the conflict in the Middle East posed upside risks to inflation in the near term.

The Canadian fixed income market delivered mixed results in the first quarter as geopolitical uncertainty and rising oil prices complicated the investment landscape. The yield on the 10-year Government of Canada bond rose from 3.43% at the start of the quarter to 3.47% by quarter-end, reaching a high of 3.58%, putting downward pressure on government bond prices, particularly late in the quarter. Corporate bonds showed resiliency, but underperformed government bonds with credit spreads widening slightly. High-yield bonds were relatively volatile as the late-quarter decline in risk appetite weighed on lower-rated issuers, though energy-linked names broadly outperformed.

Performance

The Fund's Canadian government bond exposure contributed to performance during the quarter. An overweight in Canadian rates also contributed to performance as Canada's economic narrative diverged from the U.S. Economic fragilities became more evident, prompting markets to reassess the Bank of Canada's policy outlook following weaker growth and a cooling labour market. While Canadian yields moved higher, the Fund's positioning benefited from relative value opportunities and curve positioning during the period.

The Fund's U.S. government bond positioning detracted from performance. An overweight in U.S. rates detracted from performance as the U.S. Treasury yield curve proved volatile, with yields declining early in the period before rising later. The move higher in yields weighed on duration-heavy positioning.

Portfolio activity

The sub-advisor added Curaleaf Holdings, Inc. (11.50%, 2029/02/18) during the quarter. Curaleaf is a leading U.S. multi-state cannabis operator with a broad footprint across cultivation, processing and retail operations. The addition reflects the sub-advisor's positive view on the cannabis sector and its evolving regulatory and demand backdrop.

Hydro One Inc. (4.25%, 2035/01/04) was increased because of the company's resilient fundamentals and favourable yield profile given its predictable, long-term contracted cash flows.

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Toronto-Dominion Bank (7.283%, 2082/10/31) Limited Recourse Capital Note was sold because of its long-dated structure and extension risk. While Toronto-Dominion Bank maintains strong credit fundamentals, the decision reflects a broader strategy to reduce exposure to deeply subordinated bank capital instruments in favour of bonds with better risk-adjusted return profiles.

Cleveland-Cliffs Inc. (7.00%, 2032/03/15) was reduced. Cleveland-Cliffs is a vertically integrated mining and steel producer and the largest flat-rolled steel manufacturer in North America. The pace of balance sheet deleveraging has been slower than expected, prompting a more cautious near-term view.

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There can be no assurance that the Fund's return or volatility targets will be met, or met over any particular time horizon. Targeted returns and volatility should be evaluated over the time period indicated and not over shorter periods. Targeted returns are not actual performance and should not be relied upon as an indication of actual or future performance.

This fund is available through a segregated funds policy issued by Canada Life.

A description of the key features of Canada Life's individual variable insurance contract is contained in the information folder, available from your advisor.

Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.

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*For Partner series and Preferred partner series an advisory and management services (AMS) fee, of between 0.50% and 1.25%, is negotiated between you and your advisor. The MER doesn't include this fee.

Canada Life is currently waiving a portion of the investment management fees on the High Interest Savings fund to target an estimated management expense ratio of 1.00%. Canada Life is not obligated to continue waiving these fees and it may cease to do so at any time without notice.

The 7-day annualized yield is based on the annualized total return of the fund over the past seven calendar days and does not represent an actual one-year return. It's important to note that 7-day annualized yield is not an indicator of future performance of the fund.

[^]Deferred Sales Charge (DSC) purchase option is not available for new contributions given regulatory bans that came into effect June 1, 2023. For certain policies where DSC is the only sales charge option available, new contributions may be accepted. Additional disclosure may be required.

[†]Soft capped - Contributions are no longer accepted to new investors., [‡]Hard capped - Contributions are no longer accepted.

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