

CAN Foreign Bond 75/100 (PS1)†

December 31, 2025

A global fixed-income fund seeking potential interest income.

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 bonds denominated in foreign currencies and issued by Canadian government agencies and international institutions.
- You're comfortable with a low to moderate level of risk.

RISK RATING



Fund category

Global Fixed Income

Inception date

May 14, 2012

Management

expense ratio (MER)*

1.72%

(December 31, 2024)

Fund management

Canada Life Asset Management

How is the fund invested? (as of December 31, 2025)



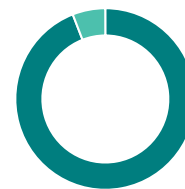
Asset allocation (%)

Foreign Bonds	90.1
Cash and Equivalents	5.9
Domestic Bonds	4.0



Geographic allocation (%)

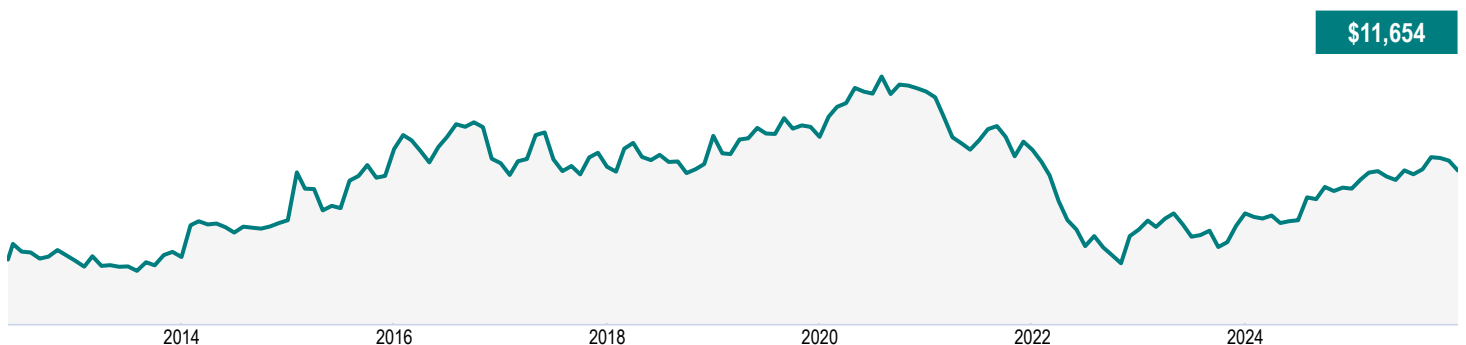
United States	31.9
Europe	15.6
Japan	12.9
Germany	10.3
France	6.7
Canada	5.3
Australia	4.3
United Kingdom	4.1
Luxembourg	3.5
Other	5.4



Sector allocation (%)

Fixed Income	94.1
Cash and Cash Equivalent	5.9

Growth of \$10,000 (since inception)



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Fund details (as of December 31, 2025)

Top holdings	%
United States Treasury 0.50% 30-Oct-2027	3.1
United States Treasury 1.75% 15-Nov-2029	2.4
Germany Government 2.40% 15-Nov-2030	2.2
Enel SPA 4.25%	2.1
United States Treasury 2.75% 15-Nov-2042	1.9
United States Treasury 1.88% 15-Feb-2032	1.8
SCOR SE 5.25% 12-Mar-2029	1.8
Allianz SE 3.20% 29-Oct-2027	1.8
Zurich Finance (Ireland) Designated Activity Co. 3.00% 18-Apr-2031	1.8
United States Treasury 3.38% 15-May-2033	1.5
Total allocation in top holdings	20.4

Portfolio characteristics	
Standard deviation	4.99%
Dividend yield	-
Yield to maturity	-
Duration (years)	-
Coupon	-
Average credit rating	-
Average market cap (million)	-

Net assets (million)
\$99.8

Price
\$11.65

Number of holdings
121

Minimum initial investment
\$100,000
A minimum \$500,000 in eligible assets required for preferred pricing. (refer back to info folder for eligible assets)

Fund codes
FEL – CLGC114E
DSC[^] – CLGC114F
CB4 – CLGC114G

Contact information

Customer service centre

Toll free:
1-888-252-1847

Corporate website:
canadalife.com

Understanding returns

Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-1.55	-2.09	2.98	2.98	3.35	-2.34	-0.34	1.13

Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
2.98	4.23	2.85	-12.30	-8.27	6.85	-0.15	4.90

Range of returns over five years (June 01, 2012 - December 31, 2025)

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
4.25%	March 2018	-3.55%	Oct. 2022	0.32%	50.00%	52	52

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Q3 2025 Fund Commentary

Market commentary

Fixed income investments performed well during the period, particularly in the corporate segment.

The U.S. economy stayed strong thanks to a boost to consumption. Despite trade tensions and pressure on the U.S. Federal Reserve Board (Fed) raising concerns over its independence, the U.S. showed resilience. However, the housing market slowed, labour market data showed weakness and inflation had not returned to target. The Fed made its first interest-rate cut in September.

In the eurozone, the investment backdrop was resilient, benefiting from consumer behaviour. Despite tariff announcements from the U.S. administration, Europe benefited from the 15% blanket rate negotiated by the European Commission in the summer.

The European Central Bank paused interest-rate cuts, having cut by 1.00% so far in 2025. Eurozone inflation hovered close to the 2% target and the economy did not show signs of recession. There was optimism about the fiscal stimulus, particularly the announcement of defence and infrastructure spending by the German government. France's sovereign debt rating was downgraded, the U.K.'s long-term borrowing costs rose and there were concerns over debt sustainability in both countries.

Performance

Relative exposure to perpetual callable bonds issued by Allianz SE (3.2%, callable in 2027) and SCOR SE (5.25%, callable in 2029) contributed to performance. Zurich Finance (3.0%, 2051) was another contributor to performance. These holdings performed well because of their low duration (sensitivity to interest rates) and high coupon rates.

Exposure to Hammerson PLC (5.875%, 2036) detracted from performance as 12-year tenors underperformed amid new issues. A perpetual callable bond issued by Development Bank of Latin America and the Caribbean (6.75%, callable 2030) detracted from performance amid uncertainty over U.S. trade. Another detractor from performance was a perpetual callable bond issued by JPMorgan Chase & Co. (6.5%, callable in 2030).

Softness of the Canadian dollar, especially against European currencies, contributed to performance. Weakness in the Japanese yen detracted from performance.

Portfolio activity

U.S. Treasuries were increased and U.S. Treasuries and Spanish government bonds were sold to manage the Fund's duration.

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Outlook

Having passed the peak of post-global financial crisis valuations for credit markets, the sub-advisor is more cautious and focused on security selection. The sub-advisor expects the financials sector, particularly global banking groups, to perform well. Interest rates are likely to stabilize in Europe, and 2026 could see discussions about hiking interest rates. The sub-advisor expects further interest-rate cuts in the U.S. and the U.K., where the cutting cycles began after Europe.

In the U.S., the Fed is more divided than ever, leading to the possibility of a change in outlook. Fed Chair Jerome Powell's mandate is expected to end in May 2026. For this reason, the sub-advisor believes there will likely be curve movements, not necessarily because the economy requires them, but because of political factors.

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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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