

CAN Mackenzie Moderate Income 75/75 (PS1)[†]



December 31, 2025

A fund that aims to provide interest income with the potential for longer-term growth.

Is this fund right for you?

- You want investment income with the potential for long-term growth.
- You want to invest mainly in fixed income funds with a smaller portion in Canadian and foreign equity funds (no more than 40 per cent).
- You're comfortable with a low to moderate level of risk.

RISK RATING



Fund category

Canadian Fixed Income Balanced

Inception date

May 14, 2012

Management

expense ratio (MER)*

2.09%

(December 31, 2024)

Fund management

Portfolio Solutions Group

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



Asset allocation (%)

Domestic Bonds	65.0
Canadian Equity	20.8
US Equity	8.5
International Equity	5.5
Cash and Equivalents	0.1
Income Trust Units	0.1



Geographic allocation (%)

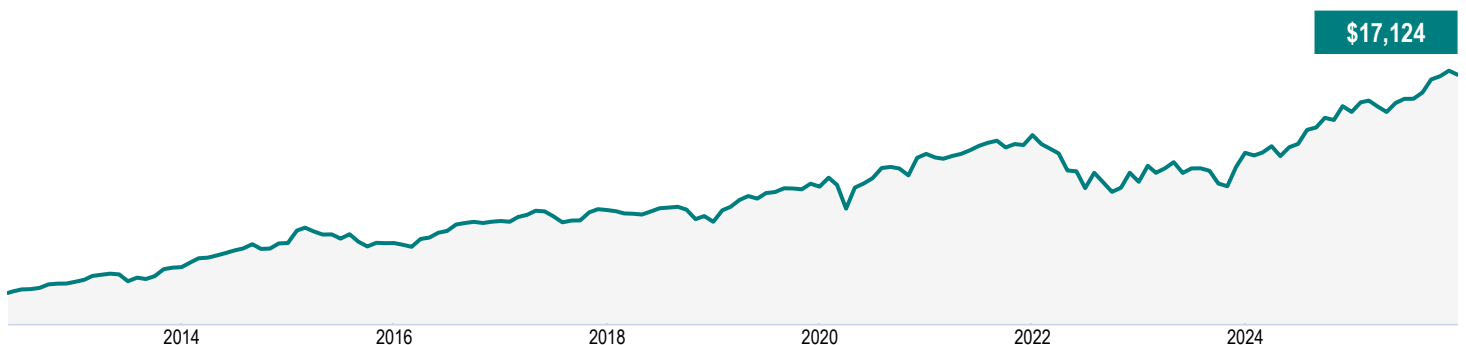
Canada	85.9
United States	8.5
Multi-National	5.3
Bermuda	0.1
Ireland	0.1
Other	0.1



Sector allocation (%)

Mutual Fund	65.0
Financial Services	9.3
Technology	6.2
Exchange Traded Fund	5.3
Basic Materials	3.3
Energy	3.1
Consumer Services	2.1
Industrial Services	1.7
Consumer Goods	0.8
Other	3.2

Growth of \$10,000 (since inception)



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Fund details (as of December 31, 2025)

Top holdings	%
Canadian Core Fixed Income	65.0
Canada Life International Equity Index ETF	5.3
Royal Bank of Canada	1.9
Shopify Inc Cl A	1.6
Toronto-Dominion Bank	1.3
Enbridge Inc	0.8
Brookfield Corp Cl A	0.8
Bank of Montreal	0.7
Bank of Nova Scotia	0.7
NVIDIA Corp	0.7
Total allocation in top holdings	78.8

Portfolio characteristics	
Standard deviation	6.19%
Dividend yield	1.94%
Yield to maturity	-
Duration (years)	-
Coupon	-
Average credit rating	-
Average market cap (million)	\$691,236.1

Understanding returns

Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-0.79	0.89	7.61	7.61	7.90	3.32	3.95	4.02

Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
7.61	9.16	6.95	-10.07	4.22	7.95	9.31	-3.02

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
4.75%	March 2025	1.21%	March 2020	3.17%	100.00%	104	0

Net assets (million)
\$12.3

Price
\$17.12

Number of holdings
601

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 – CLGC125A
DSC^ – CLGC125B
CB4 – CLGC125C

Contact information

Customer service centre

Toll free:
1-888-252-1847

Corporate website:
canadalife.com

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Q3 2025 Fund Commentary

Market commentary

Global equities gained over the third quarter of 2025 and outperformed global bonds, which posted a small gain (all returns in Canadian-dollar terms on a total return basis). Expectations that the U.S. Federal Reserve Board (Fed) would lower interest rates and ongoing investment and development in artificial intelligence (AI) helped boost stocks over the quarter.

The U.S. equity market advanced, posting a double-digit return. Information technology was the strongest-performing sector. Canadian equities increased and outperformed U.S. equities, getting a strong performance from the materials sector. EAFE equities advanced, underperforming Canadian and U.S. equities.

Equities in Japan and the U.K. contributed to the performance of EAFE equities. Emerging markets equities also advanced and outperformed their developed market peers, with equities in China and Taiwan contributing to performance.

The FTSE Canada Universe Bond Index posted a total return of 1.5% over the quarter. As government yields moved lower, government bond prices increased. Government bonds underperformed corporate bonds, which also posted a gain.

Corporate bond prices benefited from narrowing credit spreads (the difference in yield between corporate and government bonds). Real estate bonds posted the largest increase in the corporate sector. High-yield bond prices rose on a total return basis and outperformed investment-grade corporate bonds.

Global bond yields remained largely unchanged over the quarter, and global bond prices posted a small gain. The Bank of Canada, the Fed and the Bank of England lowered their policy interest rates. The European Central Bank and Bank of Japan held their policy interest rates steady. The yield on 10-year Government of Canada bonds fell from 3.27% to 3.18%. Government yields in the U.S. also declined. Government bond yields in the U.K., Germany and Japan increased.

Performance

Security selection and active positioning in Canadian Fixed Income contributed to performance. Stock selection within U.S. Equity also contributed to performance because of stock selection in the communication services and financials sectors.

Ivy Foreign Equity detracted from performance because of its allocation to the information technology and health care sectors. Canadian Equity detracted because of stock selection in the financials and materials sectors. An overweight allocation to Intern

Portfolio activity

The sub-advisor did not make any changes to the Portfolio during the quarter.

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Outlook

In the sub-advisor's view, the third quarter of 2025 highlighted divergence in global growth. The U.S. economy was resilient with gross domestic product growth near 3% annualized and productivity gains driven by AI adoption offsetting softer labour market trends. In contrast, Canada, Europe and the U.K. were weighed down by rising unemployment and trade challenges.

In the sub-advisor's view, equity markets reflect investor optimism, particularly in the U.S., where AI-driven earnings drove elevated valuations. Market concentration in technology and swings in investor sentiment are causes for caution.

Within fixed income, we view alternatives such as private credit and mortgages as valuable sources of income and duration management, particularly in a higher-for-longer environment. Liquidity and flexibility remain central, allowing portfolios to absorb sudden shocks if risks around AI investment, funding markets, or fiscal policy materialize.

The sub-advisor's approach emphasizes resilience over precision. Core U.S. equity exposure remains important, but we balance this with global diversification and multi-factor strategies that reduce dependence on narrow leadership.

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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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